SPECIAL DOUBLE ISSUE

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AUGUST 18-25, 2003
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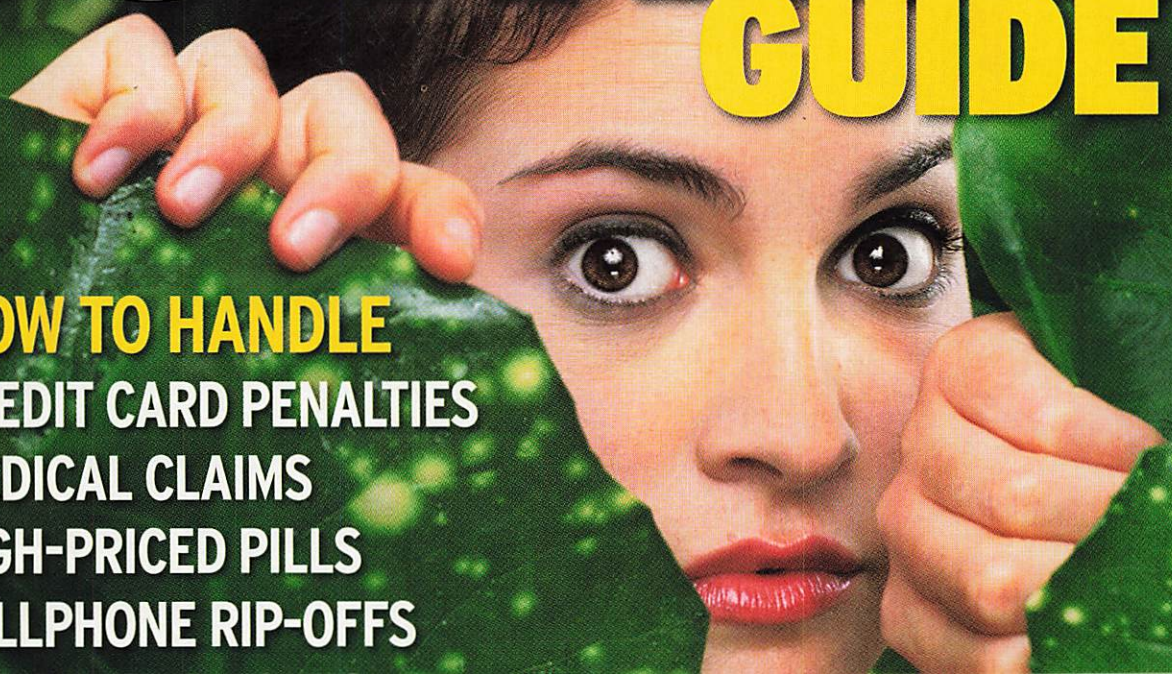
THE ULTIMATE CONSUMER SURVIVAL GUIDE



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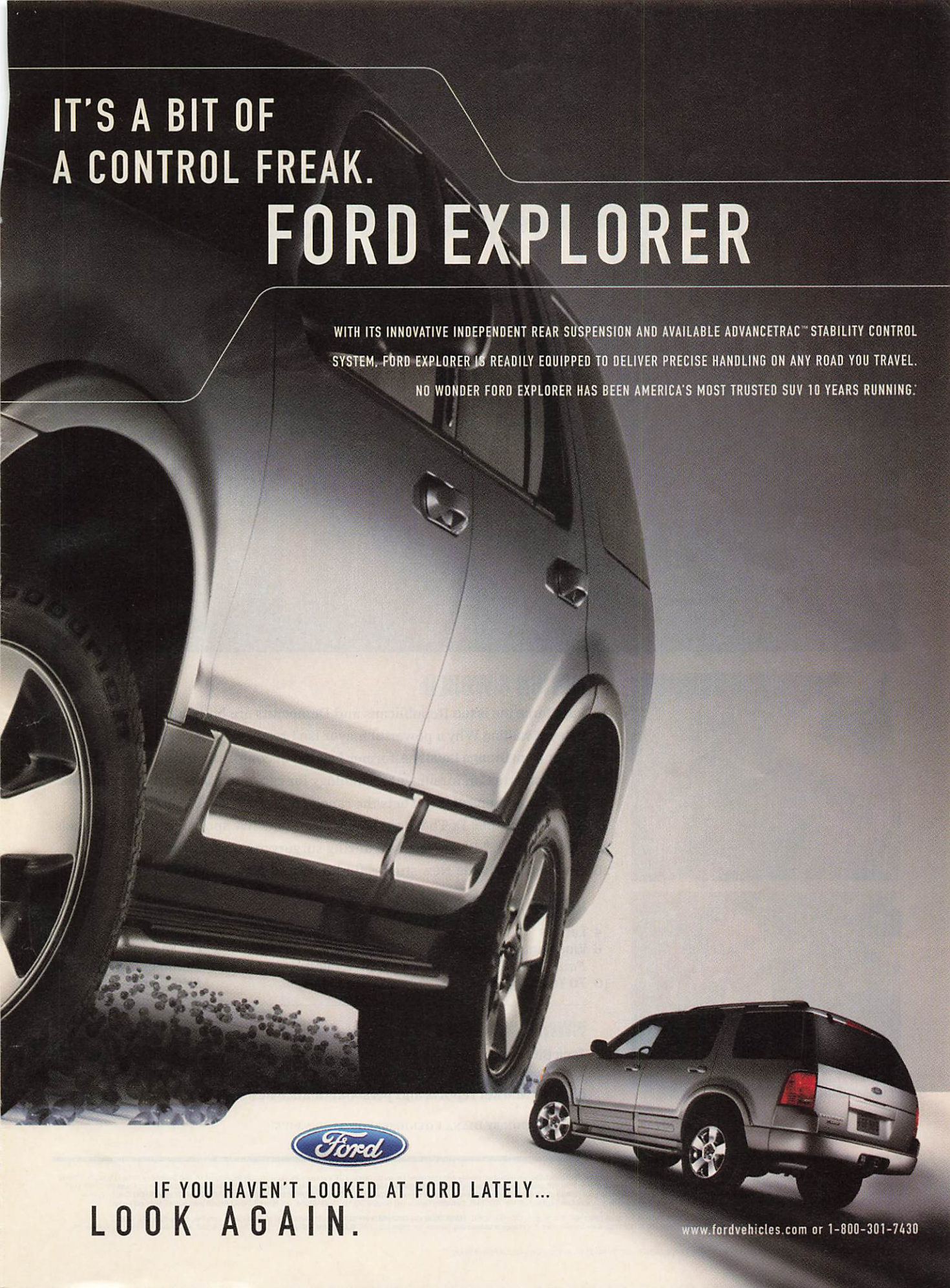
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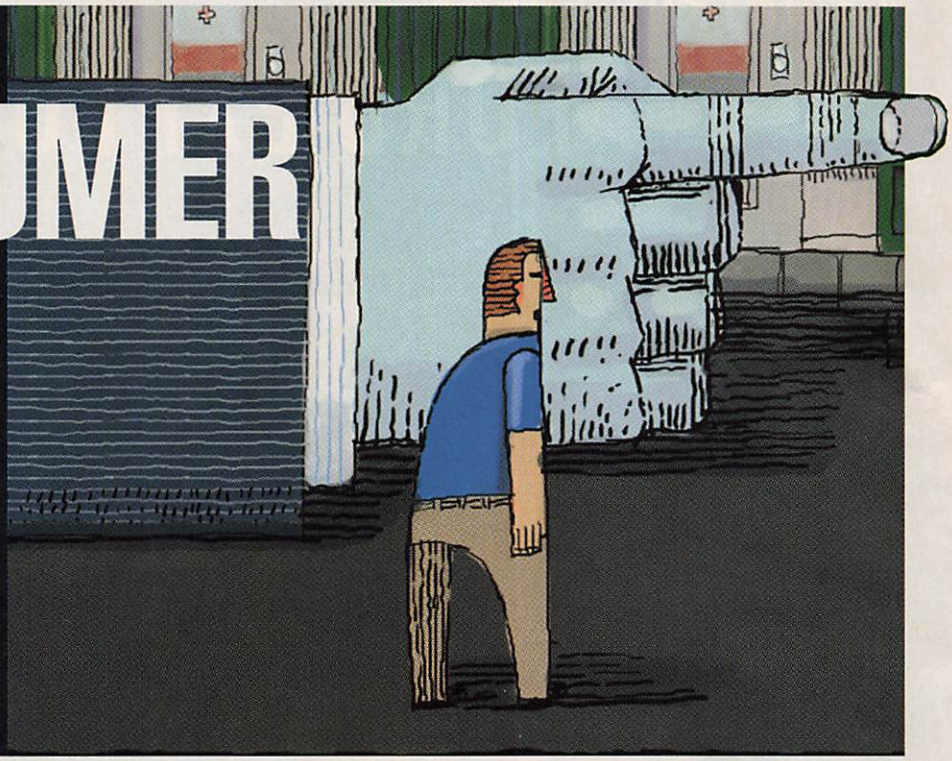

SPECIAL REPORT

The customer isn't always right, but he's often cranky and confused. How to keep your cool in the ever complicated consumer world.
By Kim Clark

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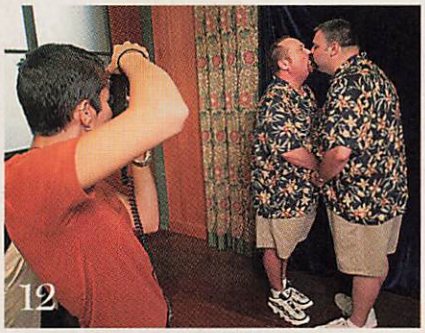

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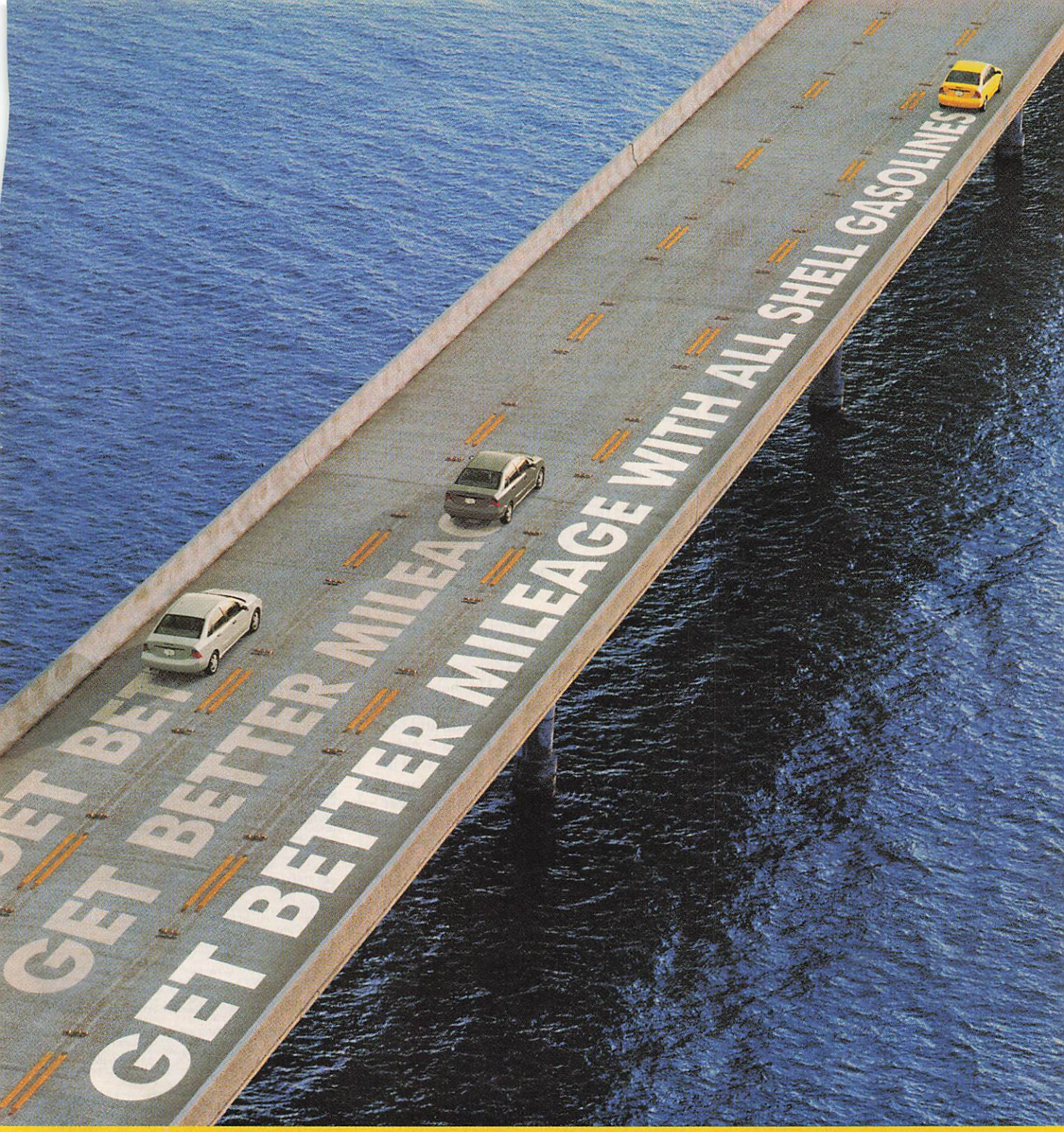

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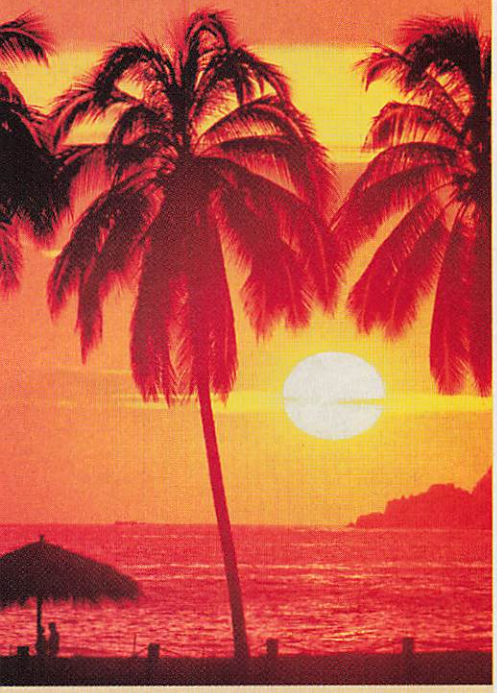

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CBT BENEFIT ANALYSIS

"IN NO MOOD FOR THERAPY" [JULY 14] seemed to raise more questions than it resolved. Cognitive behavioral therapy is a general approach that uses both a direct type of counseling and behavioral approaches. Its effectiveness depends upon the specific methods used, the experience of the therapist, and the patient's motivation to improve. I have used CBT effectively in groups of depressed patients, who I felt benefited from relaxation therapy, prescriptive exercise, biofeedback, and stress management. Numerous clinical research studies support the effectiveness of CBT. However, most patients and physicians opt for drug therapy because it is more convenient and widely advertised, though not necessarily more effective than CBT.

FRANKLIN STEIN, PH.D.
Occupational therapist
Madison, Wis.

I TEACH IN A CORRECTIONAL FACILITY that uses CBT, packaged as "Thinking for a Change." All probationers assigned to "boot camp" are enrolled in these classes. They meet in small groups with a facilitator to hash out the attitude and behavior problems they experience while incarcerated. CBT seems to work well in this confined setting. Many of the young adults placed in our facility have never had anyone to talk to about the things that bother them and prompt them to engage in disruptive or destructive behavior. I do have to concur, however, with those who think CBT may have been "oversold." I have not seen any follow-up studies that show if the probationers indeed have changed their ways of coping with the demands and stresses of life once they are released. It's not clear if CBT was enough to stop the behavior patterns that got them into trouble in the first place.

TERESA MOORE
Houston

Correction: "Raider Rick's Picks" [Washington Whispers, July 14] was in error: Former CNN boss Rick Kaplan did not hire night show host Aaron Brown away from ABC, where they both had worked.

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Washington Whispers

BY PAUL BEDARD

No reporter coverup: Kennedy kept sex secret

Advice from a seasoned Pulitzer Prize-winning political reporter to **Gary Hart, Bill Clinton,** and other pols with a wandering eye: The next time you get the urge, pick a paramour who won't blab. And, adds retired Associated Press legend **Walter Mears,** don't blame the press when you get caught. Mears should know. He covered every presidential campaign from **JFK** to **George W. Bush** and reveals in his juicy memoir, *Deadlines Past,* that Kennedy got away with it because he kept his sex life secret, not because reporters covered up for their presidential pal. "Even if they can't prove it, reporters trade gossip," says Mears. "Even at last call in the bar, I didn't hear any," he tells us. Be assured, he adds, if reporters had the skinny on JFK and **Marilyn Monroe,** "it would have been nuclear." But "his affairs were secret because he saw to it," Mears says in the book, out in October. "Not so with Gary Hart or Bill Clinton—they got involved with talkative women." Sure, Mears concedes, times have changed and news has become more gossipy. But, "A story is no story unless you can prove it."

NO, NOT GITMO

One word used by special operations forces in Iraq seems to have captive disciples of ex-prez **Saddam Hussein** crying uncle: "Gitmo." Looks like the 200 or so Iraqis caught by special forces would rather fess up at home than be shipped to Guantánamo Bay in Cuba to face tough military interrogators. "They usually start squealing like the mice they are when an interrogator mentions Gitmo," we're told in a military source's E-mail.

NADER'S 9/11 PLAN

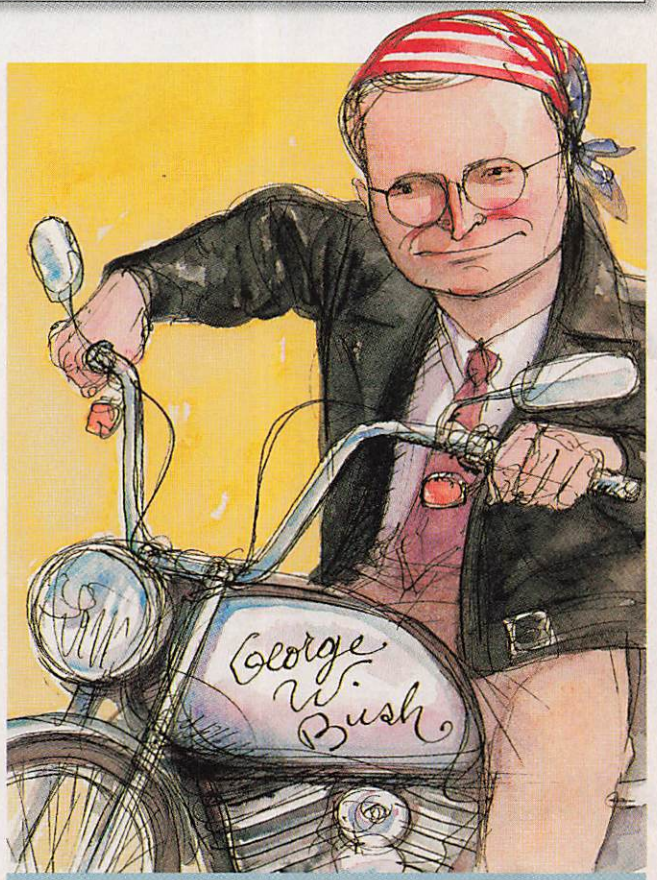
Get a load of this: Likely 2004 third-party presidential hopeful **Ralph Nader** thinks the 9/11 terrorist attacks wouldn't have happened if he had been president. He claims that amid all the big decisions new presidents have to make after inauguration, he would have ordered cockpit doors to be hardened against attack. He says an old report warning about how easy it is to get in the cockpit still sticks with him. What's more, he would have wiped out Osama bin Laden and his gang without a shot being fired. How? Bribe Osama's friends to hand him over.

THE GIRLS CLUB

Torie Clarke's departure as Pentagon spokeswoman won't be the blow for the yack-yack sisterhood that many feared. We learned that Defense Secretary **Don Rumsfeld** has put a "women-only" sign on the office. He wants another Torie: a politically savvy spokeswoman who hasn't done military work. "He doesn't want," an insider says, "somebody beholden to the brass."

STAY HOME, 41

Conservatives are going nuts over reports that "41,"



ONE HOG OF A PRESIDENTIAL TOKEN

To the politically desirable "soccer moms" and "NASCAR dads" add "Harley-Davidson couples." These aging wild-thing baby boomers are fast becoming the target of presidential candidates because they're active voters, hip, independent, and relatively wealthy. It should come as no shock, for example, that Sen. **John Kerry** is wooing them from the back of his own Harley. But you've got to give the edge to the Bush team and biker-in-chief **Josh Bolten,** the president's budget Boss Hog, for turning the vote **George W. Bush**'s way. He owns three motorcycles, two Harley Fat Boys—one brand-new—and an Iowa-built Victory that he parks at Bush's Crawford, Texas, ranch. But Bolten's more than just show. He brought a 100th-anniversary Harley-Davidson gas tank to the latest cabinet meeting for Bush, **Vice President Cheney,** and the agency heads to autograph. And after he clear-coats it, Bolton plans to present it to Harley officials at the company's 100th birthday party in Milwaukee this month. "That's called," said an insider, "political giddyap."

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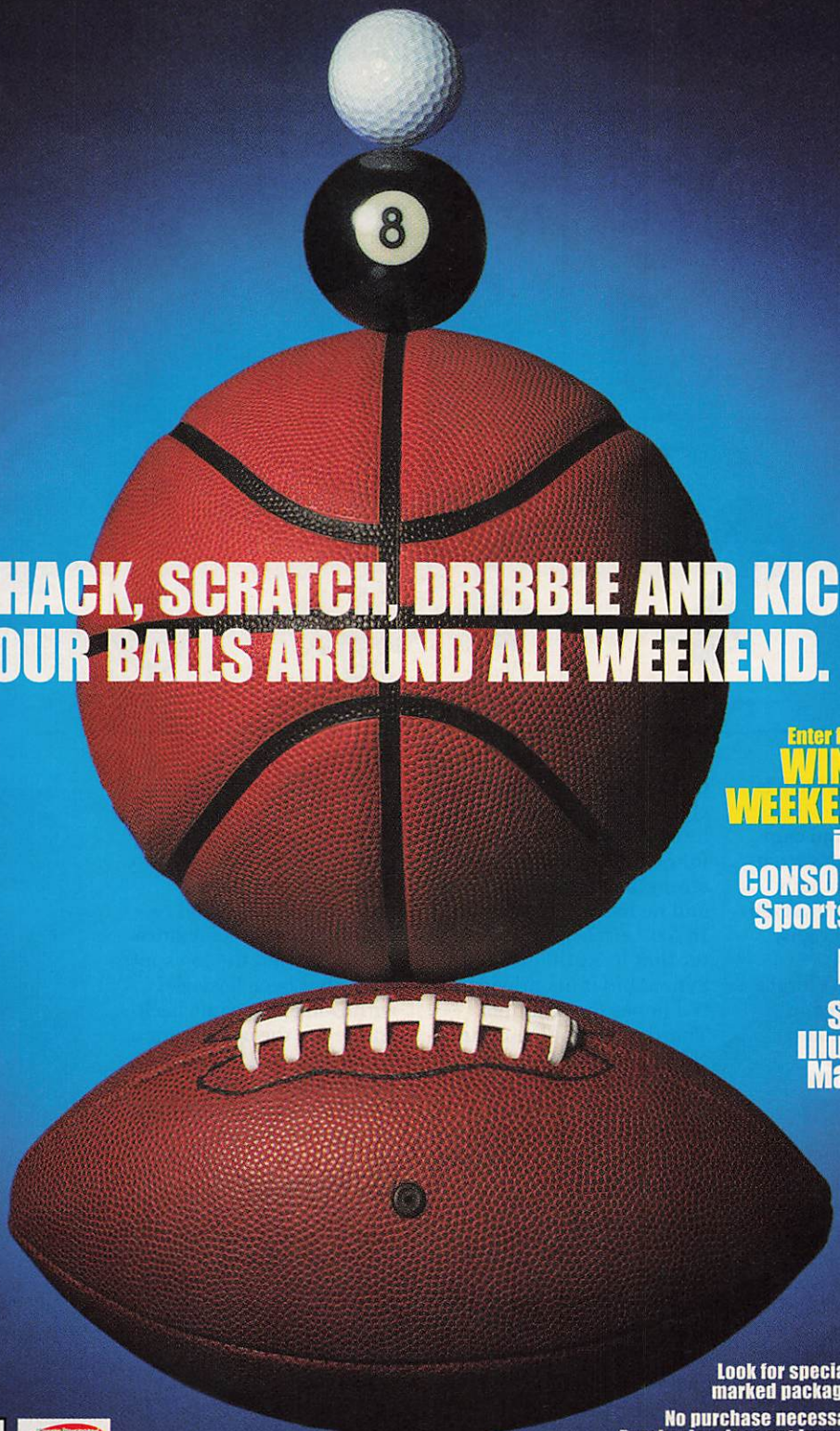

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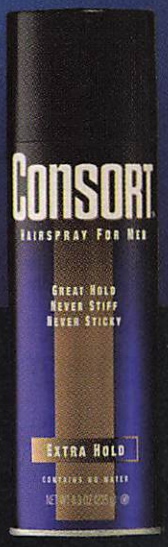

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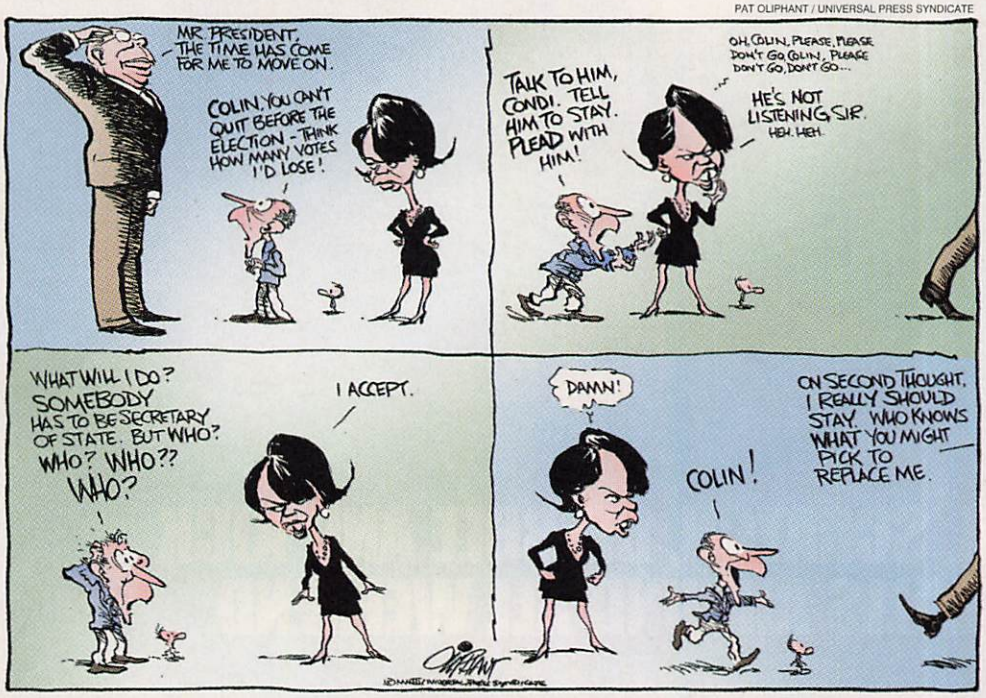

as former **President Bush** is known in the White House, will repay a favor and campaign for **Arnold Schwarzenegger.** "He could actually seriously damage Schwarzenegger," a prominent righty told us. Reason: Many conservatives haven't forgiven Bush for flip-flopping on taxes and being soft on abortion.

WAITING FOR KERRY

President Bush and his political staff don't buy the hype on Democratic presidential primary front-runner **Howard Dean.** "I'd be surprised if [Sen. **John] Kerry** doesn't surge soon," says an insider. In fact, many Bush aides expect Dean to fade and Kerry to take the nomination. There's another faction that doesn't think a Washington insider can get it, leaving Dean as the likely victor. But there is something both sides agree on. "They all sound like jerks," says a Bushie.

GEPHARDT'S FAIL-SAFE

Presidential candidate **Dick Gephardt** may not top the voter polls, but, boy, is he the buzz in political circles. Democrats talk that he'd be a great veep choice for Sen. **John Kerry.** His strengths: Labor loves him and he has Midwest roots. In GOP circles, there's chatter that he's still eyeing a Senate bid if his presidential hopes die on Super Tuesday. Republicans are calling Sen. **Kit Bond**'s Democratic challenger, state Treasurer **Nancy Farmer,** a "place holder" for Gephardt. Ain't happening, promise his aides.

SCOTT! SCOTT!

New White House spokesman **Scott McClellan** is ignoring the normal practice of calling only on big shots seated in the first few rows. Instead, he recognizes even back-row squatters, giving the pressroom a democratic feel. "Everybody yelling, 'Scott! Scott!' " says *Washington Times* reporter **Joseph Curl,** "is making the briefing fun again."

FAMILY TIES

Gary Bauer, who built the conservative Family Research Council from a tiny Capitol Hill basement operation into a huge Washington think tank before leaving for a failed 2000 presidential bid, could return to the FRC. Ever since **Ken Connor** left the top spot, Bauer has been besieged with E-mails to come back and revive the organization. Bauer's not talking but has asked financial backers of his American Values group to help FRC out too.

HOT ENOUGH?

Reporters and aides who think **President Bush** cares that you can't stand the 100-degree-plus temps at the Crawford, Texas, summer White House, beware. He actually takes a perverse pleasure in their plight. "He knows that a good 75 percent of the staff and press corps hate it," says one. "But the more he can make them sweat the better."

With Richard J. Newman

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In Quotes

"Say *hasta la vista* to Gray Davis."

ARNOLD SCHWARZENEGGER, *announcing his candidacy for governor of California on the* Tonight Show

"The real problem may be the president himself and that next year we ought to fire him and get a new one."

AL GORE, *attacking President Bush's policies*

"I believe every worker in America is tired of being trickled on by George W. Bush."

SEN. JOHN KERRY, *Democratic presidential candidate, hitting the president's "trickle-down economics"*

"Right now the Democratic voice is not a single voice. It is not a chorus. It is a babble."

MARIO CUOMO, *Democrat and former New York governor*

Sources: *Los Angeles Times, New York Times* (2), WROW-AM

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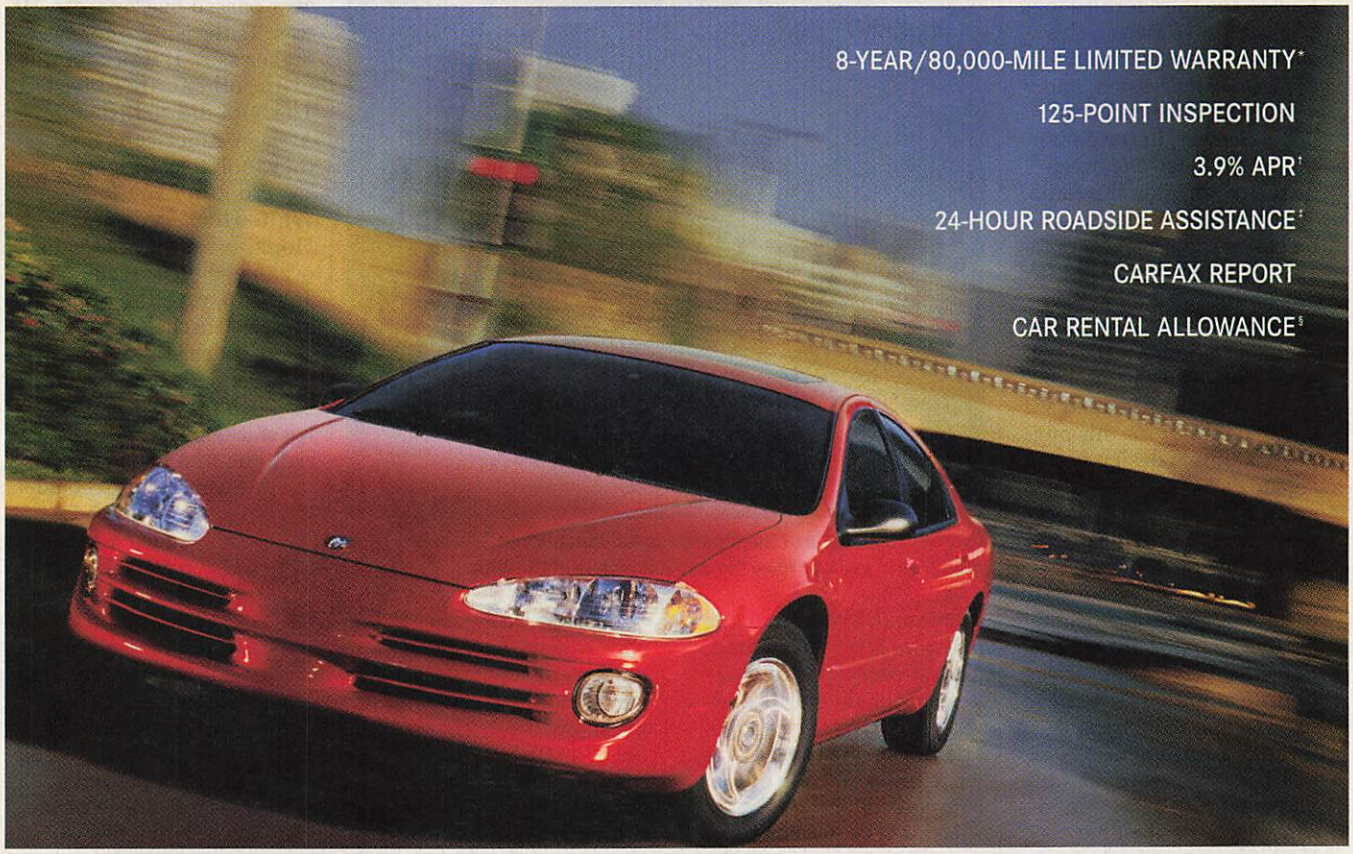

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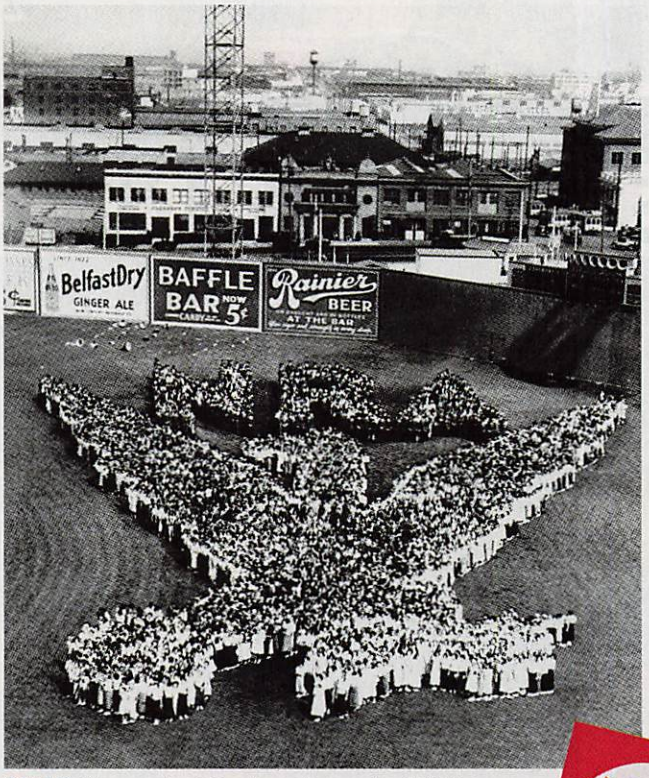
BY LEWIS LORD

An eagle that didn't take off

Henry Ford was not impressed by the avian drawing the government unveiled 70 years ago this month. A "Roosevelt buzzard," the automaker called it. But multitudes of Americans took a look at the "Blue Eagle," the thunderbird logo of Franklin D. Roosevelt's summer offensive against the Great Depression, and saw a patriotic beacon of hope. "In war, in the gloom of night attack," the president explained on the radio, "soldiers wear a bright badge on their shoulders to be sure comrades do not fire on comrades. On that principle, those who cooperate in this program must know each other at a glance. That is why we have provided a badge of honor for this purpose, a simple design with a legend, 'We Do Our Part,' and I ask that all those who join with me shall display that badge prominently."

FDR's badge of honor went to any company or consumer pledging support for his National Recovery Administration, an ambitious scheme to revive ailing industries through government-planned scarcity. In the summer and fall of 1933, Americans displayed the Blue Eagle almost everywhere—on factory walls, in store windows, on commercial products, on windshields, in homes, even on the bare thighs of Atlantic City beauty queens. To the step of "Happy Days Are Here Again," a quarter-million New Yorkers paraded down Fifth Avenue in a 10-hour salute to the symbolic bird.

Roosevelt put the blame for depressed prices and puny wages on excess production and cutthroat competition. His NRA invited almost every type of business, from shipyards and steel mills to tailor shops and burlesque theaters, to write its own "code of fair competition."



RALLY. Thousands of San Francisco schoolchildren gathered in 1933 to form the patriotic eagle of the NRA.

Loads of codes. For workers, the codes would establish minimum wages (such as $13 a week for a cotton-mill worker in the North, $12 for one in the South), ceilings on hours (in many instances, 35 hours a week for blue-collar workers and 44 hours for white-collar employees), and the right to form unions and bargain with management. Among consumers, the "good American" would boycott businesses that failed to show the eagle. New Dealers envisioned millions of new jobs "before the snow flies."

That summer, the economy improved a bit, but winter brought more unemployment—plus widespread grumbling about the NRA and the maze of 765 codes it struggled to supervise, even down to the Dog Food Code. With antitrust rules suspended, big industries found monopolistic ways to control output and fix prices. Consumers suffered, as did small businesses unable to absorb rising costs. Many firms averted bankruptcy by ignoring the wage-and-hour provisions of the codes they signed. With their jobs at stake, workers were in no position to protest. Still, a common grievance emerged: "NRA prices and Hoover wages."

By early 1934, grocers in Cleveland were assailing the NRA as "the worst law ever passed by Congress." It was "Hitlerism," one lawmaker said. It was communistic, other critics insisted. The NRA did so little for African-Americans that they took to calling it the "Negro Run Around." White House aide Harry Hopkins hit the NRA's disorganized boss, Hugh Johnson, with the bluntest attack. "Hugh," he said, "your codes stink."

Particularly foul was the Live Poultry Code. A Brooklyn chicken firm asked what right the NRA had to tell it which hens it could sell and how much it must pay the workers who killed them. The Supreme Court answered in 1935 by unanimously ruling the NRA unconstitutional.

As a recovery tool, the NRA proved a massive flop. But the Blue Eagle laid a few worthy eggs. It curbed the deflationary spiral that had nearly wrecked the country. It energized a long-suppressed drive to organize labor. It virtually eliminated child labor. And it helped make five days, not six, America's prevailing workweek. ●

This is the eighth in a series of monthly reports marking the 70th anniversary of U.S.News & World Report.

FROM TOP: CORBIS BETTMANN; CORBIS

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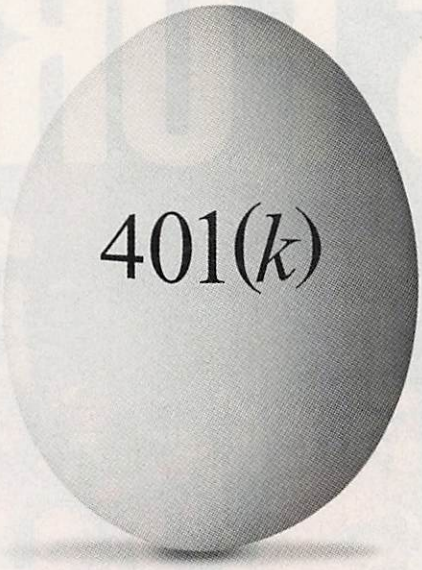

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GAYS FORCE TH

E ISSUE

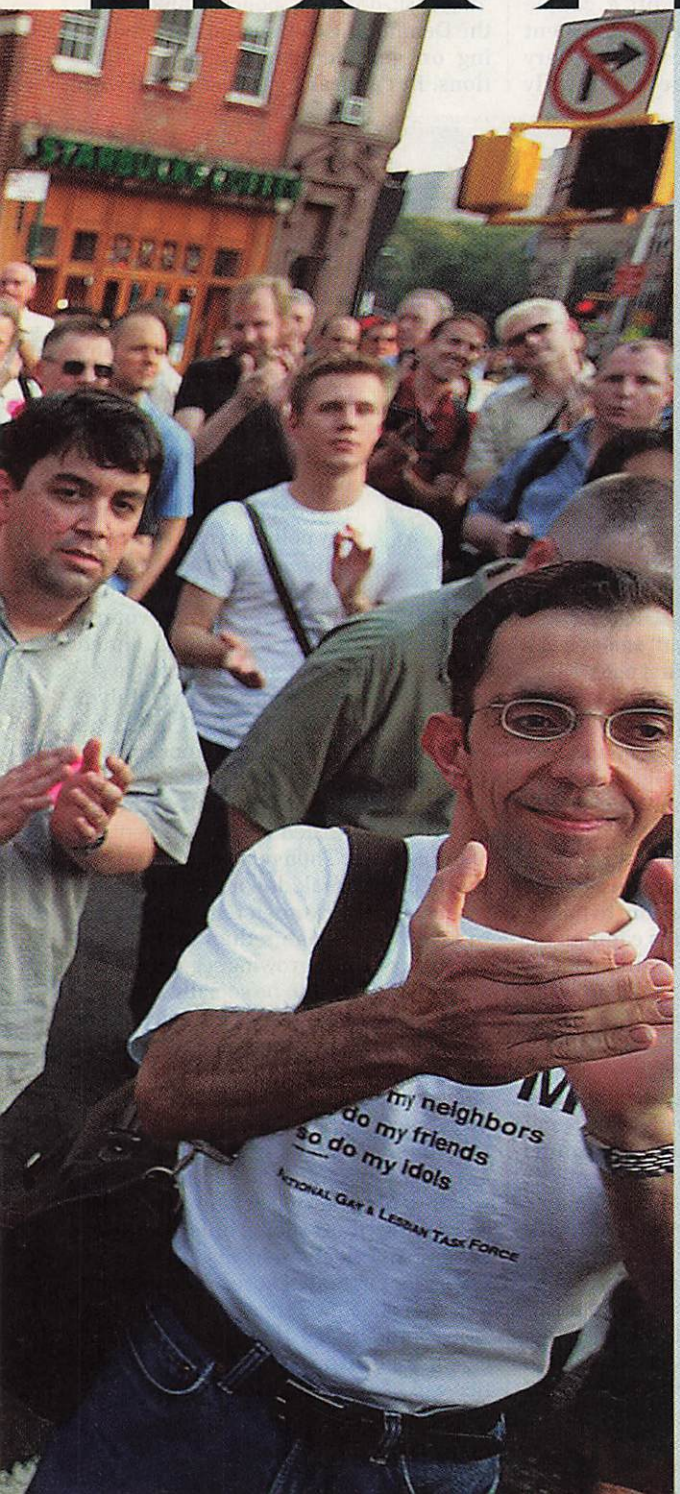
Republicans and Democrats are discovering they can't avoid homosexual politics. The question is, where are the votes?

BY DAN GILGOFF

At a congressional fundraiser last summer, Bob Kabel got the chance to do what most Republicans only dream of: pose for a photo with George W. Bush. Then Kabel, a former chairman of the Log Cabin Republicans—the country's biggest gay GOP group—won an even rarer prize: a personal message from the president. "I know exactly who y'all are," Bush told Kabel. "I'm working so that people don't have heartburn over your issues." Kabel was moved, but the Republicans have suffered *plenty* of heartburn over his issues since then.

On the other side of the aisle, things have been a bit awkward as well. At a July 15 Human Rights Campaign forum for the Democratic presidential contenders, the moderator grilled Sen. John Kerry on why he supports gay "civil unions" but opposes gay marriage. "I think it's important to do first of all what we *can* do," Kerry said, suggesting it was the country, not himself, that wasn't ready for same-sex marriage. Howard Dean, who as governor signed a law making Vermont the only state to legalize gay civil unions, also stumbled over the gay-marriage question. He finally asked the moderator to change the subject.

Gay issues represent rocky terrain for Republicans and Democrats alike, but suddenly there's just no avoiding them. In June, a landmark Supreme Court ruling overturned a Texas antisodomy law and effectively legalized homosexuality. Last week, the Episcopal Church elected its first openly gay bishop. President Bush stepped into the fray late last month, saying he had lawyers studying how best to "codify" marriage as a male-female institution. In Canada, two provinces have recently begun minting gay-marriage licenses. And the United States may not be far behind: Decisions pending in the high courts of Massachusetts and New Jersey could soon legalize gay marriage there. As the 2004 elections inch closer, the recent march of events presents the two parties with starkly different challenges. For the Democrats,



LANDMARK. The Supreme Court's overturning of a Texas antisodomy law in June was cause for celebration in New York's Greenwich Village.

CHANG W. LEE—*THE NEW YORK TIMES*

the trick is not coming off as too gay-friendly to a nation that's still wrestling with its views on gay rights. The Republicans, meanwhile, must mobilize a voter base of religious social conservatives without alienating swing voters by seeming intolerant.

Bush has tried to keep his distance from the string of recent controversies, but it hasn't been easy, and the president has at times seemed squeamish. "I am mindful that we're all sinners," he said in response to a press conference question last month. "And I caution those who may try to take the speck out of the neighbor's eye when they've got a log in their own." Bush kept mum on the Supreme Court decision in June and has hedged on whether he supports a constitutional amendment barring gay marriage, which has been introduced in the House of Representatives. Still, the president has quietly extended a hand to gays, appointing a gay ambassador to Romania and signing a bill that extends benefits to same-sex partners of District of Columbia employees. "We don't always agree" with the administration, says Log Cabin Republican Executive Director Patrick Guerriero, "but the lines of communication we have are unprecedented."

It's a far cry from the GOP of the early 1990s, which saw Pat Buchanan deliver a speech at the '92 Republican convention that assaulted Clinton-Gore for being "the most . . . pro-gay ticket in history." "The difference [in] attitudes toward gays between 10 years ago and now is night and day," says former Wyoming Sen. Alan Simpson, honorary chairman of the Republican Unity Coalition, a group bent on making homosexuality a nonissue within the party. "There isn't a person in the U.S. who doesn't have somebody among their friends, family, or associates who isn't gay." Indeed, 22 percent of Americans reported having a gay friend or acquaintance in 1985; by 2000, that number was 56 percent.

But social conservatives warn that GOP efforts to expand the "big tent" threaten to keep religious voters away from the polls in 2004. Bush political adviser Karl Rove has complained publicly that 4 million of 19 million white evangelical voters stayed home on Election Day 2000. Self-described "pro-family" groups say Bush hasn't done enough to stymie what they call the "radical homosexual agenda."

Not a gay-rights crusader by any standard, Bush worries social conservatives because he's seen as equivocating on gay-rights issues—declining to support Sen. Rick Santorum's warning this spring that legalized sodomy would lead to legalized incest and, so far, withholding support for a marriage amendment. "Politicians always try to go hunting in the base of their opponents to peel off a couple votes," says American Values President and former presidential candidate Gary Bauer. "But it will become increasingly untenable for a pro-family president to be agnostic on the question of how to preserve a traditional marriage." Indeed, Bush's recent remarks on the need to protect the legal definition of marriage signals a shift to the right. Gay groups, meanwhile, are also calling on Bush to clarify his positions. "It's going to be impossible to get through this campaign," says the LCR's Guerriero, "without being asked if gays and lesbians deserve the same rights as all Americans."

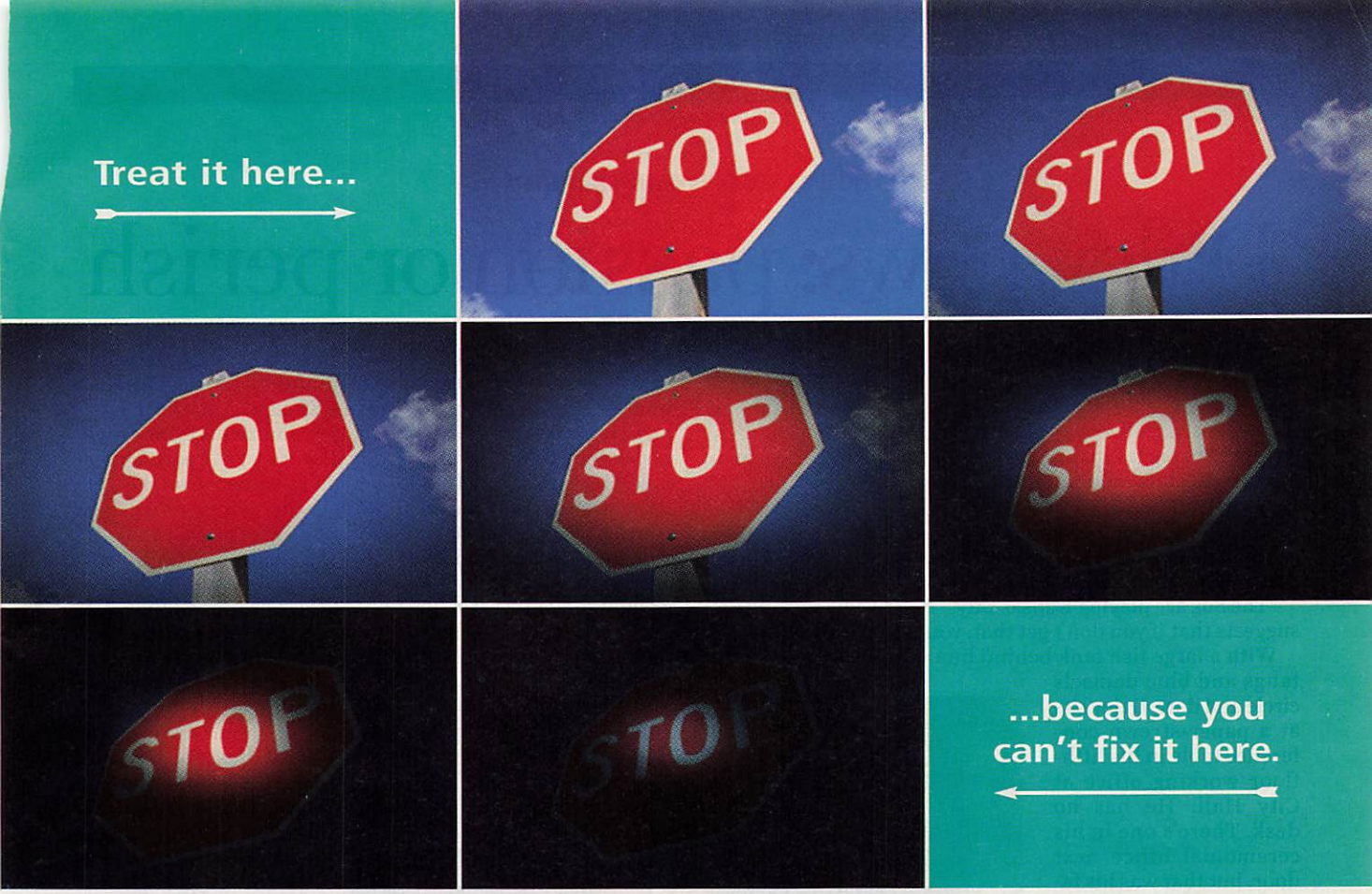
BEN GARVIN—*THE CONCORD MONITOR* / CORBIS

HISTORIC. **The Rev. V. Gene Robinson (right) smiles last week on the road to becoming the Episcopal Church's first openly gay bishop.**

Delicate balance. If GOP architects get their way, though, both sides are poised for disappointment. "The president has handled this issue with great delicacy and sensitivity, and he needs to continue doing just that," says Republican pollster Whit Ayres. "Gay rights is not a major issue to anyone other than gays." Maybe.

The Democrats, meanwhile, are hoping to derail Bush's big-tent strategy by painting the president as intolerant, while trying not to appear too far to the left on gay rights themselves. Most of the nine Democratic presidential contenders back some sort of gay civil unions, though the early front-runners, like Kerry, Dean, Connecticut Sen. Joseph Lieberman, and Rep. Richard Gephardt of Missouri, oppose gay marriage. The Democrats unanimously support initiatives that Bush has kept quiet on or has opposed: outlawing workplace discrimination based on sexual orientation, extending the federal hate-crimes law to protect gays, and—with the exception of Bob Graham—repealing the military's "don't ask, don't tell" policy. Unlike Bush, the Democratic contenders *are* depending on gays for campaign contributions. But appearing to be aligned with gay groups may have drawbacks. So some strategists suggest the Democrats' fervor over gay rights will subside as the election nears. "Most people don't care about this issue," says Democratic consultant Douglas Hattaway. "The average voter is wondering why the president is talking about gay marriage when millions . . . are out of work and soldiers are getting killed in Iraq."

What the jockeying over gay politics really reflects is the search for any advantage among those crucial blocs of swing voters. Bush's strategy is aimed less at appealing to gays—who composed roughly 5 percent of the vote in 2000 and who voted 3 to 1 for Al Gore—and more at live-and-let-live swing voters, namely suburban women and independents, who experts say are turned off by a perception of intolerance. Though most polls on gay rights don't break down responses demographically, women tend to be more in favor of gay rights than men, while Hispanics—a fast-growing segment of the swing vote—tend to be socially conservative. Polls on gay issues have generally revealed an increasingly tolerant public, though there's evidence of a backlash since the Supreme Court struck down Texas's sodomy law. Last spring, a Gallup Poll found the country evenly split over gay civil unions. But asked last month whether homosexual relations between consenting adults should be legal, 48 percent of Americans said yes, down from 60 percent in May. Those expected court decisions in New Jersey and Massachusetts could move the poll results yet again. Political operatives from both parties will be watching closely. ●



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NOTES FROM THE CAMPAIGN TRAIL

Daley news: passion or perish

BY ROGER SIMON

ELECTION 2004

CHICAGO–All nine Democratic presidential candidates are gathering down at Navy Pier, the biggest names in the American labor movement are over at the Drake Hotel, and Chicago Mayor Richard M. Daley has other plans.

"I'll be watching the White Sox," Daley says.

So no drop-by to let the candidates kiss his ring? No appearance to let labor leaders kiss his . . . mistletoe?

"The Sox are playing Kansas City," Daley says in a tone that suggests that if you don't get that, you just don't get him.

With a large fish tank behind him where blue and yellow tangs and blue damsels circle and dart, Daley sits at a paper-strewn conference table in his fifth-floor working office at City Hall. He has no desk. There's one in his ceremonial office next door, but that was his father's desk, and Daley uses it only when dignitaries visit.

In his fifth term, Daley is the second-longest-serving mayor in the city's history, ranking just behind his late father, Richard J. Daley. Though the current Daley was originally dismissed as a "dese-dem-and-doser" who would quickly be swamped by racial divisions, failing schools, and rising crime, he now presides over one of the few cities in the nation where the population has grown, median household income has gone up, and home ownership in the city is increasing at a faster rate than in the suburbs.

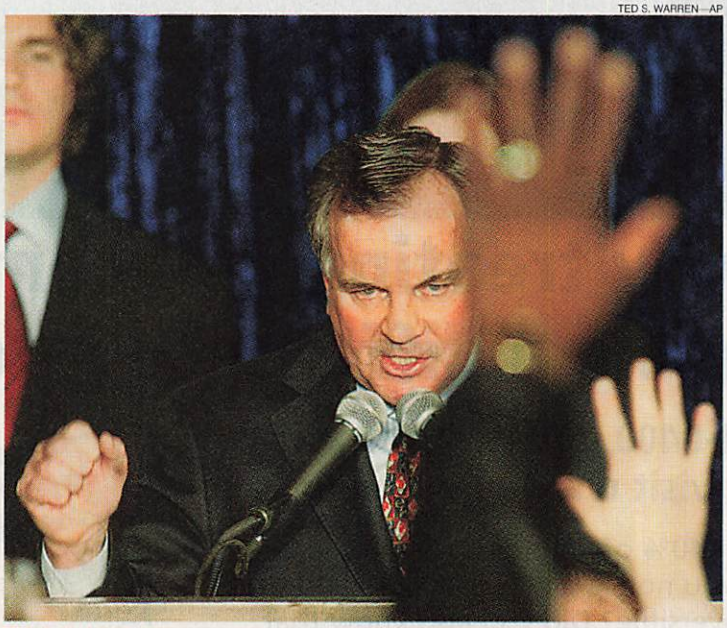
Daley turns his chair away from the conference table and talks about how in a time of scant resources he must plan very far in advance and how neighborhoods have to trust him when he promises them a "new school in 2020 and a new library in 2030." When I suggest that he may still be mayor in 2030, he throws back his head and lets loose a series of booming laughs. But, gee, he'd be only 88.

Still a force. Though not the kingmaker his father was—the rules of the game have been changed, and today primary elections, not party bosses, pick presidential nominees—Daley is a force to be reckoned with in American politics. Illinois almost always picks winners in presidential elections, though in 2000 George Bush became the first Republican in history to win the presidency without winning Illinois. (He had a little help from the Supreme Court.)

Daley says all the Democratic candidates have come to see him except Al Sharpton and Dennis Kucinich (maybe they are afraid he wouldn't take their calls), and though Daley will not endorse in the primaries, he will work for the party's nominee. He will not watch the nine Democrats debate at the AFL-CIO forum at Navy Pier this evening (the White Sox will beat Kansas City 5–4, to Daley's delight; he grew up a few blocks from where the Sox play), but there is no need.

Since most of these presidential forums have been sponsored by Democratic special-interest groups—labor, minorities, gays and lesbians, etc.—they have become panderfests, with the candidates elbowing one another to see how much they can promise how fast.

TED S. WARREN—AP



UNBEATABLE. An exuberant Richard Daley addresses supporters after being elected to his fifth term as Chicago mayor in February 2003.

But even this is getting harder as the special-interest groups (though not necessarily the candidates) are growing more sophisticated. Andrew Stern, president of the Service Employees International Union, the largest union in the nation, is in Chicago to watch and listen to the candidates, but he is looking for more than pander and promises. "We want to try to take a look at candidates in a more vibrant forum than lining them up in a row on stage," he says. "So we found a group of young, struggling, independent filmmakers, gave them a budget, and asked them to spend a day with the candidates and try to make a film to express who this person really is." In September, the films will be shown at a meeting of the union's political activists.

Stern specifically told the filmmakers that he was not interested in the policy positions of the candidates. (He already knows them.) "We want to know what makes them tick," he says. "Who are they? What values do they hold? Can they connect with people? These days, people want to know who their presidents really are." Toward that end, Stern instructed the filmmakers to capture "the soul" of each candidate.

And there'd better be at least one thing lurking in those souls, Mayor Daley says: passion. "It can't be just a job to you," he says. "It can't be just bureaucratic. If it is, people sense that."

But can George W. Bush be defeated by any Democrat?

"Without passion, anybody can be defeated," Daley says. "Even myself." ●

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LETTER FROM ORANGE COUNTY

Hip's new headquarters

BY BETSY STREISAND

Miles of sparkling beaches. Oversexed, overprivileged, and overwhelmed teenagers with surfboards strapped to their shiny new SUVs. Homes the size of small countries. Don't call it Orange County. It's "the OC" now.

And don't confuse it with your neighborhood. "It's nothing like where you live. And nothing like what you imagine." That's the word from Fox television, whose glam new prime-time soap opera, *The OC*, aims to do for Orange County what *Miami Vice* did for Miami Beach: transform it from a place into a state of mind and a pop-culture phenomenon.

But a starring role in a show about spoiled Southern California rich kids with look-alike beachfront mansions, binge-drinking problems, and status-obsessed parents may not be the close-up Orange County is looking for. Just hours after the show debuted last week to an audience of 7.5 million, it was being ripped apart on the Internet. "Do you know what people across the country think of Orange County?" asked one online critic. "They think that everyone who lives here is beautiful, white, and Republican. And now there's a show to prove it."

But if *The OC* has gotten the OC wrong, it's in good company. Most of the nation has a warped impression of this stretch of planned communities and sandy beaches that sits between Los Angeles and San Diego. For starters, Orange County is cool. In fact, according to *USA Today*, it has become the "capital of cool." While easterners may know it best as the home of John Wayne Airport, Disneyland, and California's most reliable Republicans, Orange County is also ground zero for the booming $3.3 billion skate and surfboard industry that now dominates teen fashion. Surfwear kingpins Quiksilver, Billabong, and Hurley International, for instance, are all based here, as are clothing maker Volcom and designer Paul Frank, whose Julius the Monkey logo is everywhere. "People interested in music, fashion, and alternative lifestyles are beginning to realize that this is a fresh place to tap into," says Shaheen Sadeghi, the real-estate developer behind the Camp, an outdoor-themed mall, and the Lab, an edgy retail center—both in Costa Mesa. Sadeghi is so sold on the area's potential for funkiness that he is developing an area known as SoBeCa—south on Bristol, entertainment, culture, and arts—modeled after New York's TriBeCa.

Backlash. The county's traditional profile—the endless cookie-cutter houses and suburban strip malls—has also spawned a generation of rebellious artists such as Gwen Stefani of No Doubt and Zack de la Rocha of Rage Against the Machine, both of whom broke through what's known as the Orange Curtain to reach national fame. These days, when L.A.'s young trendies are looking for hot clubs, they hop on the 405 freeway and head south to venues like Club Rubber in Santa Ana. Even Southern California's famed car culture has zeroed in here. Toyota opened its design studio in Irvine in 1978, but more recently, Jaguar, Nissan, and Volvo—among others—have followed.

DAVID BUTOW—REDUX FOR *USN&WR*

FADE IN. It's time for makeup on the set of Fox's new soap opera, ***The OC***.

That's not to say that the affluent conservatives and real-estate developers who have given Orange County its reputation as a bastion of uptight conformity have gone underground. "The political hierarchy still hasn't caught up with the demographics," says Loretta Sanchez, who seven years ago unseated conservative Bob Dornan to become only the second Democrat in the history of Orange County to be sent to Congress (as well as the first Latino and first woman). But the numbers don't lie; Orange County *is* changing. Republicans still outnumber Democrats 49 percent to 32 percent, but as recently as 1990, the spread was a broader 56 percent to 34 percent. The county's population in 1980 was just 14.8 percent Hispanic and 4.5 percent Asian; by 2000, Hispanics made up 30.8 percent of the total and Asians 13.6 percent. Even so, Sanchez says, "there are still places that you don't venture into unless you're a native."

And it's precisely to those places that *The OC* is looking to go. "These exclusive communities have this veneer of idealism, but . . . underneath the surface, there are all these dramatic lives," says the show's executive producer, Joseph McGinty Nichol, who's known simply as "McG." But there are also places that *The OC* won't go. Like the real Orange County. For reasons that only Hollywood would understand, most of the show is filmed in and around Los Angeles. Cool does have its limits. ●

MICHAEL BARONE

California's action hero

ARNOLD SCHWARZENEGGER'S entry into the governor's race, announced on the *Tonight Show,* makes it likely that he will be elected governor of California in the two-step recall election October 7. Voters will first decide whether to recall Democratic incumbent Gray Davis; recent polls show 60 percent voting for recall. Then voters will choose among candidates who have put their names on the ballot; the one with a plurality wins. Schwarzenegger is far better positioned than any other candidate to win. He has celebrity and political experience, having campaigned for his ballot proposition for after-school programs in 2002. And he has perfect political pitch, as he showed in talking with Jay Leno and to reporters afterward. He has the advice of the consultants who helped Pete Wilson win two gubernatorial races in the 1990s by carefully sticking to message in the brief sound bites and ads that are the only windows through which candidates can appeal to voters.

Gray Davis may try to survive by negative campaigning. He has always won by raising huge amounts of money and by either getting serious competitors not to run or disqualifying them by negative ads. But voters are likely to ignore the dirt Davis's aides have threatened to throw. Davis now has negatives that voters know about—the $38 billion budget deficit, high electricity costs resulting from the electricity crisis, the 30 percent pay increase for prison guards whose union has given Davis's campaigns $2.6 million. Schwarzenegger knows how to make his point. "California has been run now by special interests," he told reporters. "I will go to Sacramento and clean house. I will change that. As you know, I don't need to take any money from anybody. I have plenty of money myself. I will make decisions for the people."

This is written before the August 9 filing deadline, and Democrats still might try to get Sen. Dianne Feinstein to change her mind and run. But no one else seems a threat to Schwarzenegger. As a Republican who supports abortion and gay rights, he might have trouble in a Republican primary. But conservative Republican votes seem likely to be split between 2002 nominee Bill Simon and state legislator Tom McClintock. Peter Ueberroth did a great job organizing the 1984 Olympics, but he's not a household name today. Davis's strategy of getting other Democrats not to file has failed, as Lt. Gov. Cruz Bustamante and Insurance Commissioner John Garamendi have announced they'll run; newly leftish columnist Arianna Huffington is running too.

What would a Schwarzenegger victory mean nationally?

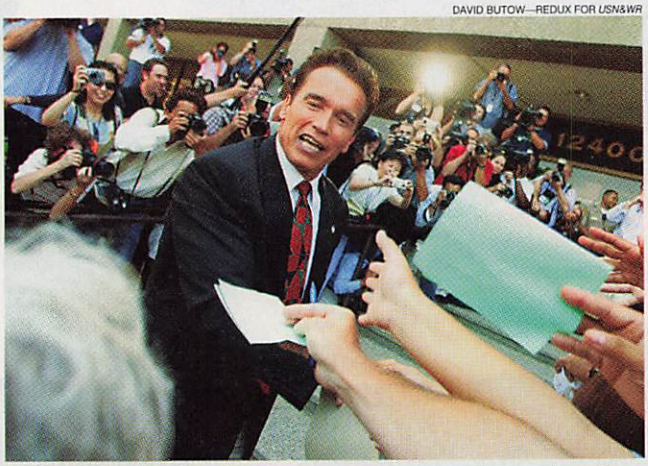
It would reshape the Republicans' image. Republicans have become a minority in California because of their conservative stands on cultural issues and because they have turned off Latinos. Schwarzenegger, who would be eligible to run again in 2006 and 2010, gives them a different image. And Schwarzenegger is an immigrant. "What gave me the opportunities, what made me be able to be here today, is the open arms of Americans," he told reporters. "And that's what I what everyone to be able to do." Schwarzenegger won't be able to deliver California's 55 electoral votes to George W. Bush; no California governor has a machine that can do that. But he can create an environment in which Bush could seriously contest the state.

It would show the weakness of "third way" Democrats. For most of his time as governor, Gray Davis took moderate stands, vetoing many bills passed by the liberal Democratic legislature. This enabled him to win by a landslide in 1998 and to be re-elected in 2002 despite the electricity mess. But third-way governance left him without loyal political allies and without a strong base in public support. Third-way politics is like a chemical compound that is strong when it holds together but that is unstable and can rapidly decompose.

It would not mean that voters nationally are itching to throw the bums out. California voters are unhappy with Sacramento politicians, but voters nationally give rather good ratings to George W. Bush and incumbents in Congress. There is not the kind of unrest that enabled Ross Perot to lead in polls in spring 1992. Schwarzenegger may be a political earthquake in California in 2003 but not a forerunner of what will happen in America in 2004. ●

"Schwarzenegger is far better positioned than any other candidate to win."

DAVID BUTOW—REDUX FOR *USN&WR*



RUNNING MAN. Arnold Schwarzenegger greets fans as he enters a suburban Los Angeles courthouse to file for the governor's race.

THE NEW STREET SMARTS

Intelligent technologies for cars and roads aim to curb driver error

BY DAVID GRIMM

By the time you realize you've run a light at a busy intersection, it's too late. Oncoming SUVs are about to stampede your compact. If you're lucky, your seat belt and air bag will save you. But what if your car could have stopped you from slipping up in the first place?

New technologies demonstrated this summer at a highway test facility in McLean, Va., are designed to do just that—promising a new measure of safety for future summer road trips. The technologies are being developed at university, industry, and government labs through the "intelligent vehicle initiative," part of a U.S. Department of Transportation program that will spend $1.7 billion over the next six years to shift the focus of highway safety from minimizing injury to preventing accidents altogether. "We need to help drivers stop making mistakes," says IVI program manager Ray Resendes, who cites driver error as the leading cause of crashes that kill over 40,000 people a year.

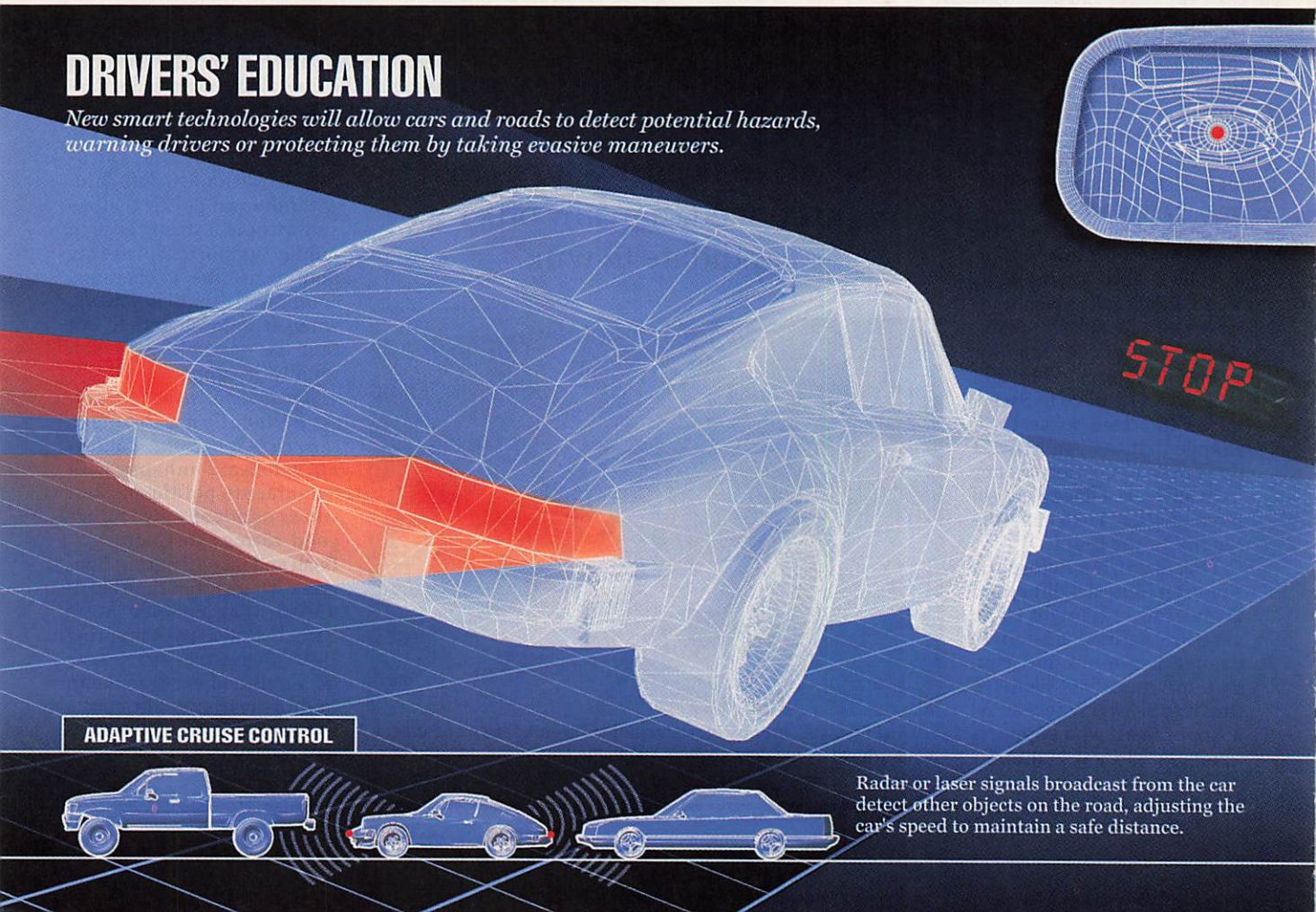
The first IVI systems allow your car to sense its surroundings. Adaptive cruise control, already available in luxury sedans like the Jaguar XK-R and the Infiniti Q45, uses radar or laser sensors to maintain a safe distance from surrounding traffic—automatically slowing the car down for gridlock, even if you have the cruise set for warp 5. By the end of the decade, cameras mounted in the rearview mirror will monitor the road and your eyelids, sounding an alarm if you are in danger of drifting off to sleep or just drifting out of your lane.

Looking for trouble. Other technologies will aid navigation. Several firms are preparing high-resolution digital maps of every road in the nation. Now available for a few metropolitan areas, the maps will be updated with real-time traffic and weather data and will work with the car's global positioning system to plot your fastest and safest route to work. Should you hit bad weather anyway, infrared detectors will "see" through the blackest of nights or the whitest of whiteouts and show an "enhanced visibility" image on a ceiling-mounted monitor—already an option on the Hummer. Both technologies should be widely available in five years.

Smart cars will get smart roads to drive on. Leading the way are intelligent intersections, which will allow cars and roads to talk to each other via short-range radio signals. Making a blind left turn? A throbbing dashboard icon will warn you if other vehicles are coming. Don't notice a stoplight? The intersection might hit the brakes for you. But

DRIVERS' EDUCATION

New smart technologies will allow cars and roads to detect potential hazards, warning drivers or protecting them by taking evasive maneuvers.



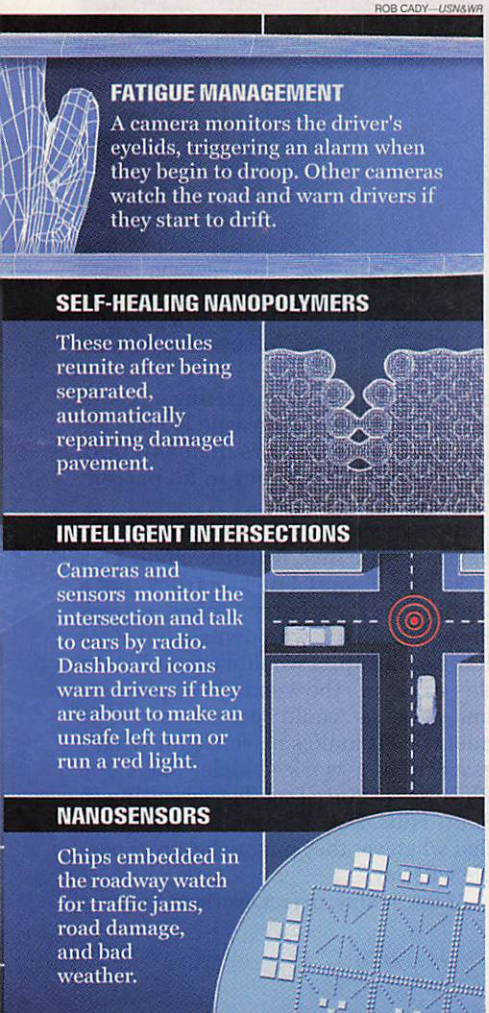
Radar or laser signals broadcast from the car detect other objects on the road, adjusting the car's speed to maintain a safe distance.

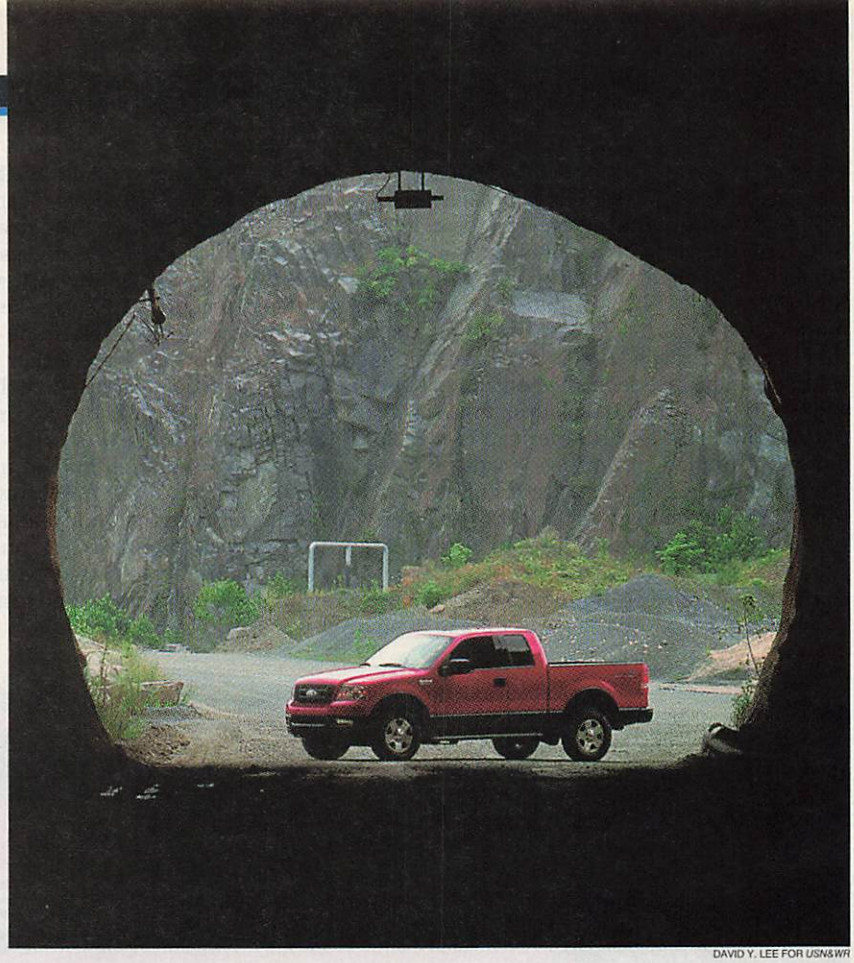
don't get overconfident yet. The first intersections won't get smart until 2006.

Transportation researchers are also exploring ways to "educate" roads through nanotechnology—molecular-scale engineering. The Federal Highway Administration is eyeing a collaboration with NASA, which is developing chain-like molecules that can reassemble after being separated. These nanopolymers could allow roads to repair themselves when they develop cracks and potholes. Also in the works are computerlike nanosensors. Embedded in roads by the billions, they could monitor traffic, sense accidents, and detect structural damage, turning ordinary roads into true information superhighways.

Will all this new technology make drivers dangerously passive? Resendes doesn't think so. "You are giving a lot of responsibility over to your car," he admits, but it's no different from placing your trust in air bags or antilock brakes. In fact, Resendes believes that by warning against unsafe behavior, the new systems may improve driving habits. "[These technologies] are designed to prevent crashes," he says, "but ultimately they may also create better drivers."

ROB CADY—USN&WR





DAVID Y. LEE FOR USN&WR

COUNTING ON A PICKUP

Struggling Ford bets the ranch on a glitzy new F-150, the world's bestselling vehicle

BY RICHARD J. NEWMAN

It's quitting time at the Luck Stone quarry in Leesburg, Va., and the boys are out for a little fun. Tony Toler, the pit manager, aims a brand-new 2004 Ford F-150 pickup truck toward a 45-degree hillside. On the walkie-talkie, he calls the foreman, Paul Jenkins, riding right behind in his '98 Dodge Ram. "You with me, boy?" he needles his colleague. "We want to see if that Dodge is as Ford-tough as this Ford."

Both trucks clamber up the hill with ease. On the way back down, however, the going gets rougher. Loose gear flies into the front seat of the F-150 from the rear. I brace myself against the dashboard to avoid becoming part of it. The Ford, in low gear, holds the hill without slipping. But the Dodge skids halfway down the berm before hitting the bottom. Back on the pavement, Toler—a Dodge devotee himself, whose own pickup is a '95 Ram—is impressed. "It pulled up there fine," he says of the Ford. "It felt good."

It had better. As Ford Motor Co. works through a "back to basics" program and a huge revitalization plan, its fortunes are hitched squarely to the new F-150, headed to dealers this month. After disastrous excursions into auto-repair shops, the car-rental business, and other side ventures, Ford has been losing market share and struggling to remain profitable. The company told employees last month that it might have to cut 1,800 white-collar jobs to balance the books.

Slipping behind. Ford's earnings were better than expected in the second quarter, with $417 million in net income. But almost all of that came from cost cutting and from the company's financial services arm; automotive operations barely broke even. And rebates averaging more than $3,000 per vehicle are driving car prices—and profit margins—down. Worse for Ford, its

passenger car division for the first time has slipped behind Toyota in U.S. sales.

The company that was once the world's most profitable automaker now hopes its journeyman pickup will pull it out of its rut. With annual sales of more than 800,000—about the same as the Honda Accord and the Toyota Camry combined—the F-series is the bestselling vehicle in the world. It accounts for 15 percent of Ford's North American revenue and hauled in $6,000 worth of profit per vehicle in 2002, according to Merrill Lynch—enough to turn a corporate loss into a modest profit. And Ford says the new F-150 will be better, tougher, and more profitable yet.

But the '04 F-150 has a lot of hills to crest before it fulfills those expectations. Expensive manufacturing techniques and dozens of option configurations have made the new truck as much as $1,500 more costly to build than the old one. Yet Ford will price it just $245 to $635 above its predecessor, meaning the company will eat the additional cost—and maybe more, since Dodge and Chevrolet are likely to greet the new competitor with deeper discounts that Ford may have to match.

High stakes. Importers, meanwhile, are moving in on the last chunk of Big Three turf. Toyota plans to add a Made in the U.S.A. badge to its Tundra pickup by building it in Texas, and Nissan will soon begin building its own F-150 competitor, the Titan, in Mississippi. That makes the '04 F-150 Ford's most important new vehicle in years. "Nothing could devastate this company more," predicts Jerry Reynolds, owner of Prestige Ford near Dallas, "than if this truck isn't a success."

To gauge the reception the critical new truck is likely to get, *U.S. News* asked some of the workers at Luck Stone—where most employees drive either a Ford, Chevy, or Dodge pickup—to help evaluate a new F-150 borrowed from Ford. Luck workers drove the truck—a $35,000 FX4 sport model, loaded up with four-wheel drive, a 300-horsepower V-8, 18-inch off-road tires, and leather interior—over rock piles and into mud pits, twisted the frame on rutted trails, poked around under the hood, and tested its power with a bed full of cargo.

At first glance, the truck was a crowd pleaser. The '04's boxier design was a hit, as were some of the features. "I love that center console," says Benny Woodward, a plant technician, as he puffed on a Marlboro and examined an interior that Ford boasts will be the most stylish of any large pickup. All new F-150s will come with a two-tone instrument panel. Bucket seats, chrome-trimmed air vents, and other niceties will be standard on higher trim lines. "Consumers want all the capability [of a pickup], along with this level of refinement," says Doug Scott, marketing manager for Ford's truck group. One reason: Many pickup buyers these days are switching over from more comfortable SUVs.

Cornering the well-heeled buyer—whether shod in work boots or loafers—is a key part of Ford's revitalization plan. With some analysts predicting that Ford's overall U.S. market share will shrink into the teens from the current 21 percent, higher-margin luxury cars—such as Ford's Lincoln, Volvo, and Jaguar nameplates—are becoming ever more important. "We don't plan to lose market share," insists Ford President Nick Scheele. "But you'll probably see a shift in market share to premium brands."

That includes trucks too. The surprising success of "special edition" models like the leather-lined King Ranch version of the F-150 has led Ford to predict that just 10 percent to 15 percent of '04 F-150 buyers will choose the entry-level XL model, starting at about $22,000, while the upscale F-150 Lariat, topping out at more than $40,000, will capture 20 percent to 25 percent of the truck's sales.

But expecting pickup aficionados to pay extra for luxe features could be a risky bet. "I want a pickup truck, not a Cadillac," gibed Larry Stokes, a Luck Stone mechanic who owns a '99 Ford Ranger pickup. "I wouldn't want to take this truck into the woods." Too plush an image, in fact, could become a strategic mistake. "It makes no sense for what's essentially a work vehicle," says Joe Phillippi of AutoTrends Consulting in Short Hills, N.J. "The mistaken belief is that whatever they put on the street people will buy."

At the quarry, in fact, workers fingered

DAVID Y. LEE FOR *USN&WR* (2)

2004 FORD F-150 PICKUP

STARTING PRICES: $22,010 to $36,365

BASE ENGINE: 231-horsepower V-8

KEY FEATURES: five different models, three cabin and bed choices, improved ride and stiffness, larger interior

COOL OPTIONS: Modular overhead storage system, bucket seats, chrome trim, rear-seat DVD player

a number of shortcomings that might lead them to a Dodge or Chevy. One frequent complaint was that the F-150 lacked the ground clearance to master a rugged work site. And when Will Cockerill, a warehouse worker, was strapping a 1,246-pound motor into the cargo bed, he noticed that the tie-down straps weren't reinforced: "If something really moved, it could snatch them right out of the wall." Even little things count. The removable cup-holder insert, for smaller cups, bothered Paul Jenkins. "That's something I've got to take out and put somewhere."

Flex time. If people don't buy the mix of trucks Ford expects, there's a fallback. New "flexible manufacturing" techniques at F-150 plants, such as those in Norfolk, Va., and Kansas City, Mo., will allow Ford to switch quickly from building one version of the truck to another. Upgrading to such modern methods and getting more mileage out of common components is an urgent priority for Ford. The Futura sedan, due in 2005, could be the basic platform for up to 10 Ford models, including Lincoln, Mercury, and even Jaguar, with several "crossover"-style SUVs.

But Ford is far behind efficient manufacturers like Toyota, which can already build up to three completely different vehicles on the same assembly line. And Ford executives acknowledge that to stay competitive the company needs to cut its capacity by roughly 1 million units, or 25 percent, which could entail a bitter fight with the United Auto Workers union. General Motors managed similar cuts in its workforce but did so over a decade, mainly through attrition. "Ford can't wait that long," says David Cole of the Center for Automotive Research in Ann Arbor, Mich. "Ford must shrink and change, or die."

Ford's strategic predicament is of little concern to truck buyers, however—or to our testers back at the quarry, who were mainly interested in seeing if they could stump the truck. The F-150 passed all of the impromptu tests they devised, until Tony Toler angled the truck onto a pile of gravel. With the front right and the left rear tires nearly airborne, the other two tires would provide no traction. Finally, the F-150 had bogged down. Ford can't afford to fall into a similar trap. ●

With Paul Bedard

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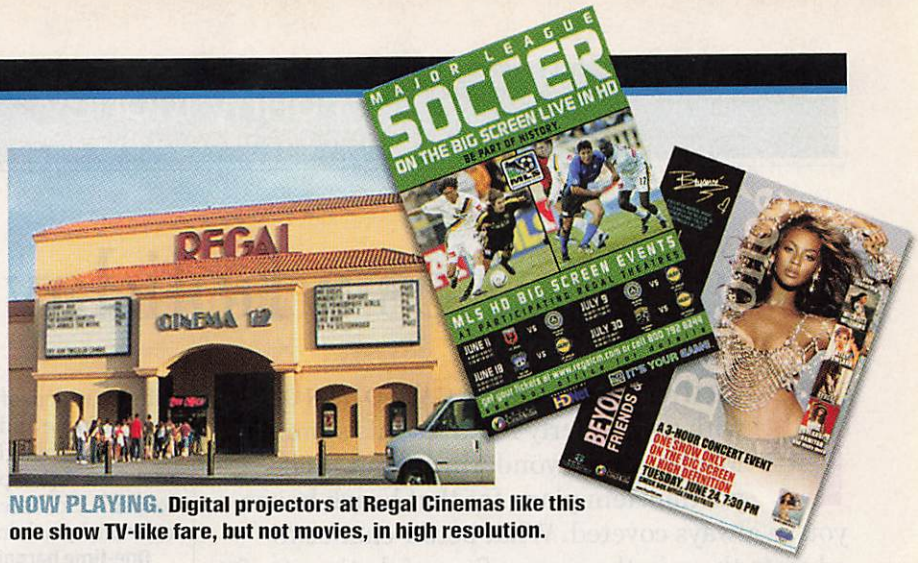


NOW PLAYING. Digital projectors at Regal Cinemas like this one show TV-like fare, but not movies, in high resolution.

REALLY-BIG-SCREEN TV

The multiplex goes digital, showing live sports, concerts—and lots of ads

BY RAMIN SETOODEH

NEW YORK—On a Wednesday night last month, fans trickle into a Manhattan movie theater. They sit back in plush seats and get ready for the feature presentation: a live soccer match between the Colorado Rapids and the Los Angeles Galaxy. "Don't forget the popcorn!" barks an announcer in California, over a satellite link.

Coming soon to a theater near you: sports, rock concerts, and other spectacles new to the silver screen. Regal Entertainment Group, the nation's largest theater operator, is investing $70 million in digital projectors for about 4,900 screens, along with equipment for transmitting and storing digital content. The technology has made it into theaters before the movies it was designed to show. For now, it's used mainly to screen high-resolution TV-like shows—and extensive displays of pre-movie ads.

Eventually, digital will displace what is still an essentially 19th-century technology. Films will be film no longer: They'll be compressed files beamed to digital projectors by satellite or distributed on disks. Experts say digital cinema will drastically cut distribution costs. "This is the biggest technological advancement in the industry—perhaps only rivaled by the invention of sound," says John Fithian, president of the National Association of Theatre Owners.

But digital projectors still can't match the color range of conventional equipment, and the movie studios haven't agreed on a standard format for digital movies—or put to rest their fear that the digital files will be stolen and shared on the Internet. All that has delayed mainstream digital movies. But Regal, which owns United Artists Theatres, Edwards Theatres, and Regal Cinemas, hopes to have a jump on competitors when Hollywood does go digital.

Screen test. In the meantime, "we want to train the audience to see there are other things to do at the theater," says Kurt Hall, Regal's cochief executive. Since last autumn, a handful of theaters have broadcast live college football, screened a recorded Christian rock concert to sellout crowds, and featured the documentary *Ghosts of the Abyss*, along with an interactive question-and-answer session with director James Cameron.

One kind of content is a sure bet. Digital is an ideal format for ads, making them cheaper to transmit and update and allowing theaters to tailor the ad mix to the audience. In many of its theaters, Regal already cranks up its new digital projectors to show 20 minutes of ads and promos before a conventional projector takes over to screen the movie.

At the soccer match, the audience is sparse—just a dozen fans—but some of them felt it was worth the $12 ticket, the going rate for a movie in Manhattan. "It's not like watching a game on TV at all, because the sound is so incredible," says Mat Doyle, a 26-year-old playwright from Brooklyn, N.Y. And best of all, he adds, "the screen is so damn big." ●

REGAL CINEMEDIA

JODIE T. ALLEN

Death takes a holiday

PERHAPS YOU'RE VACATIONING with your elderly relatives this summer. Maybe you're wondering about their postmortem plans for that beach house you've always coveted. What better chance to educate them in the proper financial etiquette for their inevitable passing? Fortunately, two recent biz books are ready to help: *Inherit More* by Martin Shenkman and *The Wise Inheritor* by Ann Perry. In order to keep "more of what's rightfully yours," Shenkman's cover blurb counsels, your "elderly parents and benefactors need your help" in order to "preserve the largest financial windfall of your life—an inheritance." Sounds a tad crass? This is no time for sentimentality. After all, the author points out, baby boomers stand to inherit some $150 billion in each of the coming five years. We're talking big bucks here.

True, as Perry notes, these windfalls will be densely clustered at the top of the income heap—a third going to the "ultra-rich," another third to the remaining top 10 percent in income. In fact, a mere 2 percent of estates now face the dreaded "death tax." Still, anyone can get lucky, so why be unprepared?

Both books offer tips for dealing with such matters as "delicate circumstances" (your stepfather leaves all your deceased mother's wealth to *his* kids) and "identifying hidden assets" (where are Grandma's emeralds, anyway?). Yet neither addresses perhaps the most crucial aspect of your potential benefactors' demise: the *timing*.

In this regard, let me stress that I am not suggesting physical interventions by either benefactor or beneficiary. But as a pioneer in necro-monetary policy (study of the impact of economic incentives on the decision to die), I can assure you that both theory and evidence predict that tax policy—specifically estate tax policy—can exert a significant effect on longevity.

Supply-side theorists will confirm that taxes strongly influence behavior. To discourage an activity—say, smoking—levy confiscatory taxes upon it. To encourage an activity—say, wealth accumulation—tax it lightly if at all. Advocates of the tax cuts passed since 2001 invoked just such incentive effects in justifying their tilt toward the upper brackets. Less attention, however, has been paid to the incentives implicit in the 2001 bill's treatment of the "death tax," under which that tax will gradually decline and then, in 2010, be repealed. But only for that one year. Though House Republicans voted again in June to make the repeal permanent, deficit-shy senators declined to follow suit. So, at least for the moment, after 2010 the pre-2001 rules kick back in.

One-time bargain. In theory then, holders of big estates should flock to this sale on death. But do facts support theory? Two empirical analyses say yes. One by David Plotz, a former colleague at *Slate* magazine, found a high correlation across countries between *low* estate taxes and *high* mortality rates. Thus India, with no inheritance tax, has an average life expectancy of only 63. In Japan, where death imposes a 70 percent tax bite, the average citizen holds on to life for 80 years. Further proof is offered by economists Joel Slemrod of the University of Michigan and Wojciech Kopczuk of the University of British Columbia in their seminal study "Dying to Save Taxes: Evidence From Estate Tax Returns on the Death Elasticity." Employing probit regression analysis, the researchers find that people do indeed adjust their mortality in response to changes in estate taxes—findings that earned them the "2001 Ig Nobel Prize." (Even scientists have their jokes. Other 2001 winners include, in physics, a "partial solution to the question of why shower curtains billow inwards" and, in medicine, a study of "Injuries Due to Falling Coconuts.") This being so, many will want to make sure that elderly relatives are fully aware that the authors of our tax laws have chosen 2010 as the preferred time for meeting one's Maker.

Of course, I'm only kidding—though I'm not so sure about the architects of the tax code. Most of us want our loved ones to stick around as long as possible. Many may agree with such notables as Warren Buffett and Bill Gates Sr. that abolishing taxes on big estates is bad for both the heirs and the nation. "[S]ociety plays an enormous role in creating the fertile soil for wealth creation, and society has a substantial claim, particularly on the most wealthy among us. This is not anti-success; it is pro-responsibility," write Gates and his coauthor in *Wealth and Our Commonwealth: Why America Should Tax Accumulated Fortunes*. Or, as Hudson Institute economist Irwin Stelzer once noted, "If you believe in equal opportunity, and especially if you're a conservative opposed to preference programs, you should want to start everyone off on as equal a footing as possible—unless you think there's special merit in the way you choose your father." ●

CARL DE KEYZER—MAGNUM

PATRICK WITTY FOR *USN&WR*

BURNED. Melanie Allen still has nightmares about a surgical fire that scarred her (below).

'I'M ON FIRE...'

Blazes sparked in surgery are on the rise

BY KIT R. ROANE

Melanie Allen sleeps in fits and starts these days, consumed by a recurring nightmare of her head being seared by a white-hot flame. Even when she's awake, she can't shake the nauseous feeling or the fear.

In June, Allen walked into the Montclair Baptist Medical Center in Birmingham, Ala., to have several benign tumors removed from her head and back. The operation was relatively simple: Electro-surgical instruments were used to cut away tumors and cauterize blood vessels. Allen, 40, should have been ready to return to her job as a grocery checker the next day. Instead, she says she woke up in the intensive care unit, with first- and second-degree burns to her face, neck, and chest.

Allen was the victim of a flash fire during surgery. The fire apparently was caused when an electro-cauterizing instrument ignited her surgical covers in the oxygen-rich environment. "My lips were cooked, and my sinuses burnt up," Allen says. She remembers being jolted awake by severe pain in her head, then screaming, "I'm on fire, I'm on fire!" She says she still can't smell or taste and faces months of reconstructive surgery. Montclair Baptist declines comment.

Medical experts say such fires are a bizarre and persistent problem that often isn't reported by hospitals and may be growing because of increasing use of new technologies. Since June 1, ECRI, an independent healthcare research organization, has counted six fires alone that caused serious harm. The fires appear to be rare—only about 100 are reported, with about 20 patients injured and two or three killed each year. Despite this, "certainly, we are hearing about more of them," says Mark Bruley, an ECRI investigator. Experts say that most fires are caused by errors in the operating room.

COURTESY MELANIE ALLEN

Perhaps most disturbing are recent reports of fires involving children. In June, a newborn was burned during surgery at North Carolina's Duke University Hospital. In mid-April, an 8-year-old boy's mouth, throat, and lungs were burned when his breathing tube ignited during a tonsillectomy at the San Jose Medical Center in Northern California. Both hospitals have increased training. Investigations at both Duke and San Jose cleared the hospitals of wrongdoing.

Medical organizations are beginning to pay close attention to the problem. In June, the Joint Commission on Accreditation of Healthcare Organizations, which accredits nearly 17,000 healthcare providers, took the unusual step of publishing a safety alert. "Such fires," the commission said, "are significantly under-reported and are preventable."

Still, many states don't track flash fires. Only California, Tennessee, and Washington require reporting of all such fires, but the data are not always searchable. Six others require reports only in cases of major service disruption or serious patient harm. The Food and Drug Administration logs fires only when equipment failure of a device is suspected. "And it's almost never caused by a device failure," says Gerald Wolf, professor of anesthesiology at City University of New York.

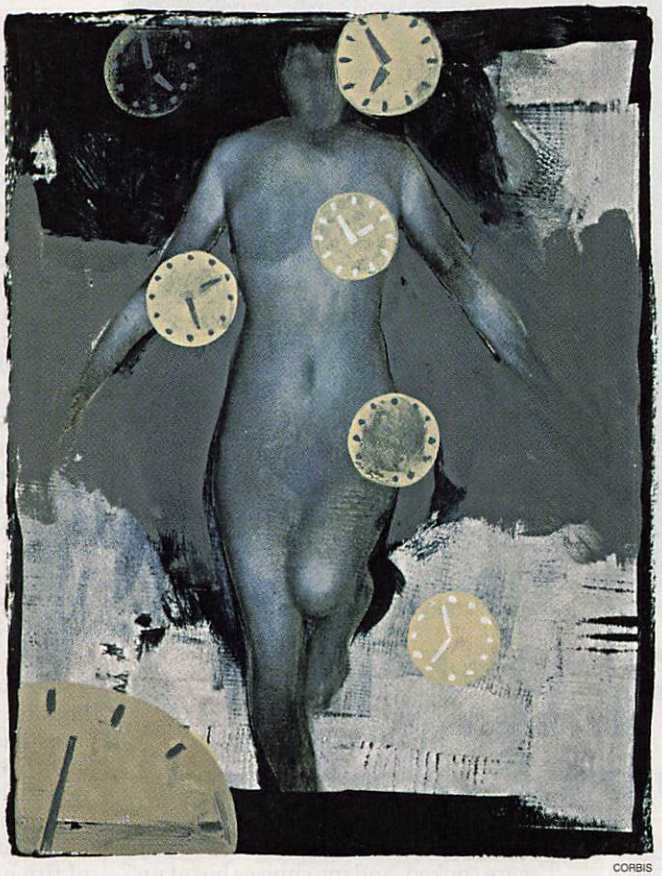
Until the 1970s, surgical fires "were a known and a feared risk to surgery" because flammable gases were used for anesthesia, says Bruley. But over the last three decades, as safer gases and new drugs were developed, training about the dangers of fire fell off. There is still little training, although the risk of fire has again grown because of the heavy use of electro-surgical tools in oxygen-enriched environments, says Jerome Thompson, an ear, nose, and throat specialist at the University of Tennessee School of Medicine in Memphis. Thompson began studying flash fires after experiencing a few in surgery. "They didn't injure my patients but frightened me with how easily they can occur and how devastating the potential is," he says. In the vast majority of fires, he adds, "there is no injury, so there will be no report."

Better training is the way to avoid most fires. Experts say materials used in surgery must also be made more fire resistant. "What shakes me up is that in 1985 I wrote up a fire during a tonsillectomy, then in 2003 saw the exact same fire occur," says Wolf. "We have not gotten very far on this issue." ●

HORMONES REDUX

The latest on drug therapy for menopausal symptoms continues to muddy the picture

BY AMANDA SPAKE AND BERNADINE HEALY, M.D.



CORBIS

A little over a year ago, millions of women woke up to the unhappy news that the hormones they had been taking for unpleasant menopausal symptoms were dangerous, perhaps life-threatening. Indeed, one part of the Women's Health Initiative, a clinical trial of hormone replacement therapy involving more than 16,600 women, was being halted prematurely because researchers concluded that Prempro, the combination HRT pill used in the trial, caused more heart attacks, blood clots, and breast cancers than it prevented. At the time, an estimated 6 million U.S. women were taking it or similar drugs to relieve hot flashes and prevent heart disease, bone loss, and other chronic diseases.

If the news was difficult for women to swallow, it created a medical conundrum for their doctors. Gynecologists had been relying on hundreds of observational studies showing that women taking menopausal hormones were actually more rather than less healthy. "This was one of the most dramatic sea changes that has ever occurred in clinical medicine," says JoAnn Manson, chief of preventive medicine at Harvard's Brigham and Women's Hospital.

Clearer picture. Since last summer, a steady stream of follow-up reports and new studies have attempted to clarify the confusing picture of hormones and women's health. Last week, two new ones were released that restate and broaden the WHI's earlier results, along with two others documenting for the first time that the type of hormones women use may be critical to their risks of cancer and blood clots.

The new findings come from the Million Women Study, an enormous observational survey of breast cancer and hormone use among women living in the United Kingdom, published in *Lancet*. While it underscores the link between HRT and breast cancer, the very size of this study—more than a quarter of all English women in the targeted age group—allows researchers to evaluate which kinds of HRT use result in the greatest risks: Four times as many breast cancers occurred in women taking various estrogen plus progestin combinations as in the women using estrogen alone. That means, for every 10,000 women on estrogen for 10 years there would be five extra breast cancers; for those on combined HRT, there would be 19. The researchers also looked at several different estrogen and progestin combinations in pills and patches, taken daily or in cycles, at higher or lower doses, but the results were similar: Combination HRT produced more breast cancers, and the longer a woman takes HRT the greater her risk. The good news is that breast cancer risk drops to that of nonusers five years after HRT is stopped.

The study reported that 637 women died of breast cancer over four years, a 22 percent increase among HRT users. "This is the first major public study to show that there are more breast cancer deaths" in women on HRT, says lead researcher Valerie Beral, an epidemiologist at Cancer Research UK. Although the analysis is not complete, Beral says many probably had breast cancer on entry to the study at the time of their routine mammograms—performed in the United Kingdom at three-year intervals for women over 50. (In the United States it is yearly.)

In another *Lancet* study, French scientists showed that blood clots in the legs were elevated in women taking estrogen pills, but not among women using an estrogen patch. Hormone pills are broken down in the liver, where proteins are activated that increase blood clotting. HRT in a patch is absorbed slowly through the skin into the bloodstream, bypassing the liver. The study points to a new area of research for evaluating possibly safer forms of HRT.

Last week also brought two more reports on hormones and the heart, both in the *New England Journal of Medicine*. One shows that HRT does not increase or decrease atherosclerosis in elderly women with pre-existing artery disease after three years of use. The other confirms that there is no subset of women—leaner women, younger women, women with hot flashes, recently menopausal women—for whom combination HRT provides cardiac protection when taken for up to six years. While the risk of having a heart attack increases most markedly in the first year on combination HRT, the risk to any one woman is small. Indeed, women in the combined hormone group experienced an extra seven heart attacks per 10,000 women per year. And none were fatal. "If women have a low risk of heart disease [in general]," says Harvard's Manson, "they will still have a low risk of heart disease on short-term hormone therapy." ●

JOHN LEO

The high and the mighty

DONALD SUTHERLAND AND I HAVE much in common. We went to the same school and graduated in the same class, but he is 6 foot 4 and I am 4 inches shorter, so I cannot be part of the new identity group that claims him as a member. Sutherland is the current poster boy for the heightist movement. He is on the cover of *Tall* magazine's premier issue, which deals with all the pride and heartbreak felt by people of elongation. Sutherland is interviewed at length, so to speak, but he doesn't seem to have much to say heightwise—though the writer observed that the star seemed "larger than life."

Sutherland just talks about his movies and his family, not once explaining the impact of height awareness on his life and career. He doesn't mention that the publisher of *Tall* calls for "an inspirational culture of height." The publisher, 6-foot, 9-inch Everard Strong of Oakland, Calif., thinks the boundaries of the new culture start at 6 foot 2 for men and 5 foot 9 for women.

The problem for heightists is that inspirational articles are rare. I can think of a few. "Cleaning Gutters Without a Ladder" would inspire many. So would "Top Shelf—We Can Reach It and You Can't." And for gender inclusiveness I suggest a dating memoir by a tall woman—"From Here I Can See Your Bald Spot." Articles in the first issue of *Tall* are somewhat less gripping. There's a report on an extra-long mattress, an analysis of back pain among the lanky, and a photo of the world's biggest chair (66 feet, 6 inches). What tall people should do about the chair isn't clear. Maybe just feel proud.

Monsters. Also featured in the issue are the late-night talk show host Conan O'Brien (6 foot 4), the "longest-limbed female twins alive" (basketball players Heather and Heidi Burge, 6 foot 5), and the scary nemesis from *Buffy the Vampire Slayer* (Roger Morrissey, 7 foot 4). The twins were nicely positive about their height ("We saw it as an advantage rather than a curse," said Heather), but Morrissey's long career playing monsters and aliens clearly raises antiheight bias as a social issue. Associating tallness with menace has been a recurring theme in popular entertainment. Many 7-footers have never fully recovered from seeing those sky-high characters in *Yellow Submarine* trying to slaughter everybody with apples. You can't do this with short or handicapped people. Depicting tallness as evil may well be the last safe prejudice to have in America.

No identity group is complete without a dab of militancy, and *Tall* provides it with "Fair Air," a firm demand by the tallness lobby for more legroom on airplanes ("Why we hate it and what we're doing about it"). We have been all through this with the size-acceptance movement (lateral division), which would like free extra seats for all wider-bodied passengers. As I understand it from what may have been a superficial reading of Fair Air, advocates for the tall are not asking for anything like that. They merely want representatives of the tallness culture to be able to put their legs under the two or three rows of seats in front of them.

> Depicting tallness as evil may be the last safe prejudice to have.

One of the vexing problems for the height-consciousness movement is that the public thinks tall people are doing well and should have no complaints. ABC's *20/20* pointed to research showing that women, corporations, and children all prefer tall people. Some observers think the phrase "looking up" to someone indicates a strong pro-height social bias. But this analysis comes up short. It fails to account for all the outright antiheight discrimination. A nontall person may say, "How's the weather up there?" (correct reply: "You'll find out when you grow up") or "Do you play basketball?" (possible retorts: "Do you play miniature golf?" and "Are you a jockey?"). And, as we all know, the cry "Down in front!" devastates many vulnerable tall teens.

This is why activists are demanding a height-friendly college curriculum (reading *Wuthering Heights* is a must) as well as height-themed dormitories where tall and pro-tall students can mix their distinctive cultures. Maybe a Ph.D. could be offered in tallness studies. There is even talk that phrases like "that's a tall tale" (which clearly associates height with lying) may be declared hate speech by the Irish parliament or even by the whole European Union. Will this happen? Nobody knows, but surely it's high time. ●

ILLUSTRATION BY HAL MAYFORTH FOR *USN&WR*

U.S. NEWS & WORLD REPORT

Special Report

CUSTOMER DISSERVICE

These days, you're not always right. But you are always cranky and confused. Here's why

BY KIM CLARK

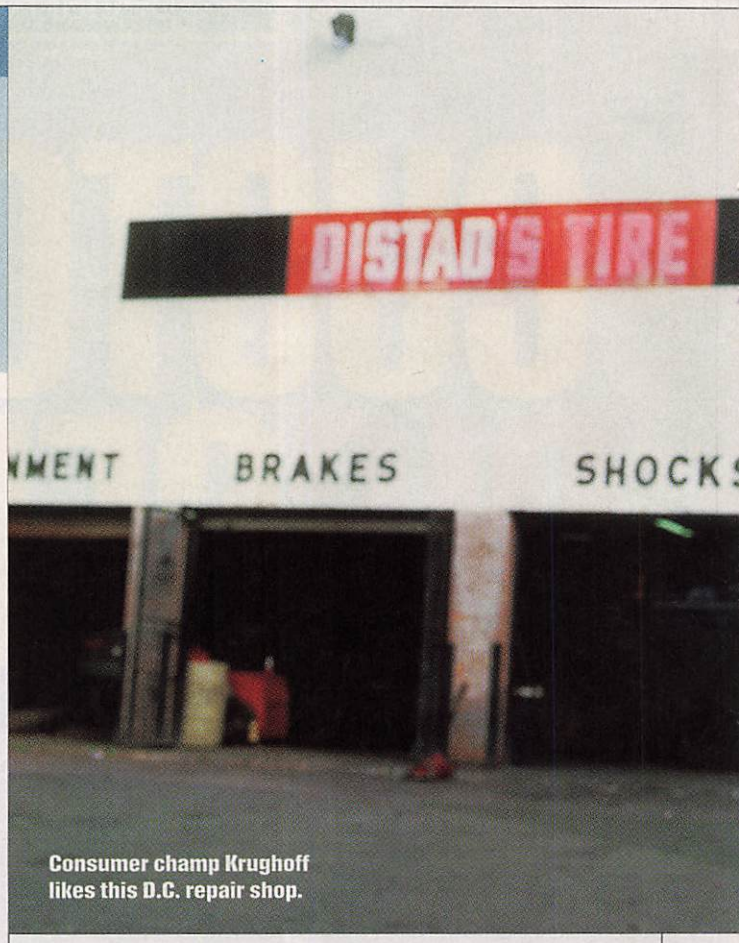
The modern American consumer is the richest, most catered-to creature in world history. Get in your car: It's far safer and longer lasting than anything your parents drove. Pull in to a superstore: You can choose among 35,000 different items, not the paltry 14,000 offered by the grocery stores of the 1980s. Don't like the price of those sunglasses? Fine, click around the Internet and get them for $10 less. Want to make sure they are on your doorstep tomorrow morning? Operators are standing by 24 hours a day to take your call. Hey, we consumers must be happy with all this. Otherwise, we wouldn't be fueling what has now been officially deemed an economic recovery by spending just about every penny we've got.

So why are consumers so cranky? Why did consumer confidence plummet last month? Why are complaints skyrocketing at places like the Federal Trade Commission, where fraud reports will top 480,000 this year, up 100,000 from last year? Why does a consumer like Eric Friedman, an otherwise mild-mannered 45-year-old fa-

ILLUSTRATION BY JONAS BERGSTRAND FOR *USN&WR*

DRIVING A HARD BARGAIN

PROBLEM: A car salesman added several hundred dollars' worth of "document preparation fees" to the price **ROBERT KRUGHOFF** agreed to pay for a new car. **BATTLE PLAN:** Krughoff read the contract, caught the extra fees, and wouldn't pay. "Document preparation fees" are nothing but extra dealer profit, he says. **SUCCESS:** Immediate. **LESSONS LEARNED:** Car shopping has greatly improved for consumers, Krughoff says. He ought to know. Krughoff founded



Consumer champ Krughoff likes this D.C. repair shop.

ther of two, describe his attempts to find a good deal for a beach hotel stay, a long-distance plan, and a mortgage with words like "confusing," "impossible," and "rip-off"?

Well, because he's like you. Yes, consumers have an abundance of choices—but less time to handle them. A generation ago, married parents put in a combined total of 3,331 hours at work a year and didn't have to spend their free time worrying about 401(k) retirement savings, cellphones, long-distance rates, or Internet access, to name just a few of our new responsibilities. Today's married parents must do all that, plus together they put in 3,719 hours on the job a year.

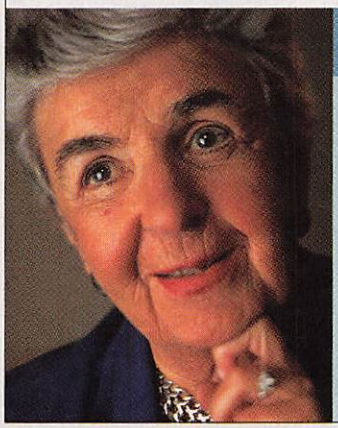
TREASURE HUNT. True, there are low prices out there, somewhere. But finding them often means clicking through several Web sites, carefully reading the fine print for signs of hidden fees or a scam, and, often, haggling with some poor, underpaid clerk. Most products do indeed last longer. But the quality of service has declined. Those operators who are standing by must not be standing by their phones. Hold times at most company call centers have lengthened excruciatingly.

And consumers who feel ripped off have fewer champions. Just ask Friedman, whose day job is to investigate complaints called in to the Montgomery County, Md., consumer affairs office. Budget cuts have reduced staffing at not just his office but at the consumer offices of local district attorneys and state attorneys general nationwide. All in all, "it is getting much harder to be a good consumer," Friedman says.

It wasn't supposed to happen this way. The deregulation and technological revolution that gave us all these new responsibilities and choices were also supposed to release the genius of the free market, which would drive down prices and create innovative comparison-shopping tools.

But the anticipated information explosion hasn't kept up with consumers' needs. Though several Web sites, such as Amazon, Yahoo!, and DealTime, are striving to become one-stop shopping destinations, each has weaknesses, and you often pay a premium for convenience. A study by Consumers Union found that Travelocity offered the lowest hotel prices more often than its competitors—but only 29 percent of the time. Consumers who want the best travel deals, CU found, have to click through several discount sites, then check individual airline and hotel sites.

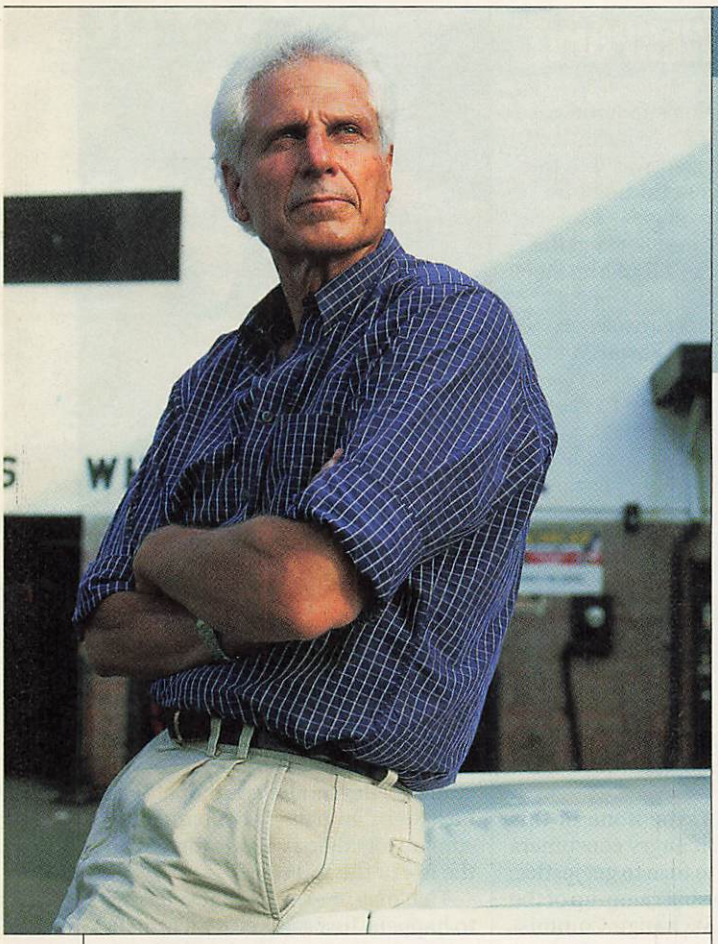
Too often, no amount of clicking or calling will find the needed information because it simply doesn't exist. While state governments will tell you if a doctor is licensed, for



ALL IT TOOK WAS 35 CALLS AND 4 LETTERS

PROBLEM: A credit card company reneged on its 2-for-1 airline ticket deal, sticking **JODIE BERNSTEIN** with a $2,000 bill. **BATTLE PLAN:** Calls (about 35) and letters (one each) to the airline, the bank, the Federal Trade Commission, and the comptroller of the currency. **SUCCESS:** It took a month, but she got a full refund, a letter from the comptroller's office, and a call from an assistant to the bank president, each promising an investigation. **LESSONS LEARNED:** "Get it in writing," says Bernstein, the FTC's director of consumer protection during the Clinton years. "Get the name of the person you are dealing with on the phone. Document everything. Find out the restrictions. When you have a dispute with a bank, send a letter to the comptroller and to the FTC. You have to be assertive. And, of course, you can always talk to a reporter."

CHARLIE ARCHAMBAULT FOR USN&WR (2)



Consumers' Checkbook, which researches hundreds of services from San Francisco to Boston, and CarBargains, which charges $190 to solicit dealer bids for car shoppers. Consumers who want to do their own legwork can pay as little as $12 for *Consumer Reports'* analysis of a car's wholesale cost. They can also use the CarBargains strategy: Call five dealers, ask for a price—and tell them you're collecting bids from competitors.

example, many keep secret other useful facts, such as malpractice history. And it's almost impossible to learn how a doctor's patients are faring. Only the leading edge of doctors and hospitals track that kind of thing. "There's a lot more information about buying a car than about choosing a doctor," complains Timothy Muris, chairman of the Federal Trade Commission.

Don't expect this problem to be solved soon. For one thing, many economists believe there is an inherent barrier to providing good information. It can take a lot of time and effort to unearth the details needed to, say, save an individual consumer $10 on a cellular bill. But consumers are reluctant to pay for the research, since one person who buys it can (and often will) relay it to friends free of charge.

Many companies also fight efforts to give consumers the info they need. After all, if consumers could comparison shop easily, they'd typically choose lower prices. So higher-priced and higher-profit companies want to prevent easy price comparisons. New York Attorney General Eliot Spitzer last month launched an investigation into whether mutual fund companies' secrecy about the commissions they pay brokers has snookered investors into choosing unnecessarily expensive mutual funds.

Meanwhile, legitimate marketers and fraudsters alike are taking advantage of souped-up technology to manipulate consumers in unprecedented ways. Gerald Zaltman, a Harvard Business School professor and marketing consultant, uses psychological therapy–like sessions, medical equipment like MRIs, and sci-fi-looking, brainwave-capturing headgear to probe consumers' subconscious reactions to everything from Coca-Cola to Downy Wrinkle Releaser. "Consumers often do not know their own minds," Zaltman says. Though he believes his clients use his research ethically, he does, at times, worry: "Before, the companies were the fishermen and consumers were the fish, and the fish always had a fighting chance. But now the fisherman has dynamite."

KABOOM. Ian Ayres, a professor at Yale's graduate school of management, sees evidence that companies are taking unfair advantage of their new knowledge. "There are lots of hidden, back-end fees" in things like health club and car rental contracts, "which only happen when the sellers know more about you than you do about yourself," Ayres says. Video rental shops increasingly offer 2-for-1 deals to lure customers. But Ayres notes that shops don't warn customers "it's not 2 for 1 on late fees." And while you have every intention of returning movies on time, the shop knows there's about a 1-in-4 chance you won't.

Most worrisome of all is the growing technological mastery of fraudsters, says Lois Greisman, associate director of the FTC's consumer protection office. While credit card companies and government officials race to catch up with the constantly evolving scams, she can't help but marvel at the evil genius of scammers, who create E-mails that look exactly like messages from AOL or Best Buy, tricking consumers into providing credit card information.

Consumer woes have been compounded by an overzealous and poorly thought-out drive to deregulate many industries. Since the "Reagan revolution" of the 1980s, government and employers have been taking more decisions out of the hands of bureaucrats and dispersing them to consumers in the belief that a free and competitive market would generate more innovation and lower prices. That theory has often been proved right —look at the fall in long-distance rates. But energy deregulation allowed Enron and others to cheat Californians to the tune of $50 billion.

Other efforts at giving consumers new choices and responsibilities have floundered as well. Employers are pushing employees to bear more costs and do more shopping for healthcare in the hopes of reining in skyrocketing costs. But medical inflation is in the double digits. And no wonder. People who are sick or facing an emergency will pay any price to get better. They don't have energy or time to shop for a cheaper lab test or to fight their insurer, says Mary Jane Stull, a patient advocate in South Bend, Ind. After more than 20 years in the health insurance business,

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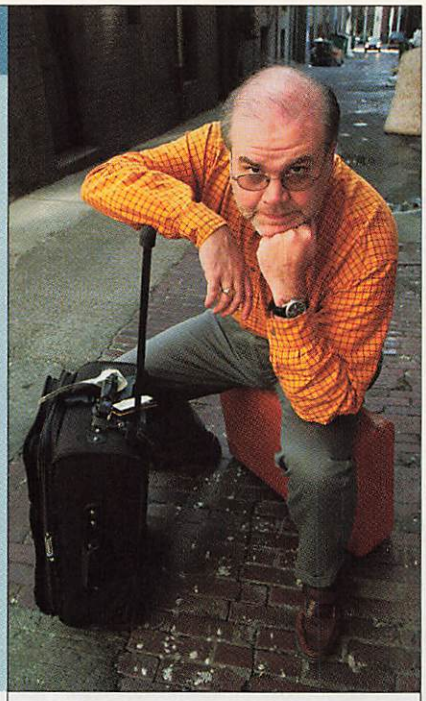
PITHY POWERPOINT

PROBLEM: A booked-up hotel gave away **TOM FARMER**'s "guaranteed" room, and, though it was 2 in the morning, balked at finding him someplace else to stay.
BATTLE PLAN: Farmer insisted the reluctant night clerk find him another room. Back at his Seattle home, the business consultant drafted a humorous PowerPoint presentation, "Yours is a very bad hotel." He E-mailed it to the hotel manager and a few friends.
SUCCESS: Within days the PowerPoint E-mail was being forwarded around the world. Panicked hotel executives called to ask, "What do you want?" His answer: Retrain the hotel's workers.
LESSONS LEARNED: Be brief, reasonable, and humorous.



Stull says the bureaucracy, the billing confusion, and the denials of care "are only getting worse."

NO JUSTICE. Maybe none of this would be so bad if angry consumers had somewhere to turn to get justice. But except for the big ramp-up of the Securities and Exchange Commission's investor protections (which occurred only after years of underfunding contributed to widespread investor deceptions and Wall Street scandals), the assistance and enforcement picture is grim. Ohio's state government just eliminated funding for its popular nursing home ratings and has cut back the number of investigators who handle the growing number of nursing home complaints. Complaints are also up in Wisconsin, where consumer prosecutors are down—from four to two.

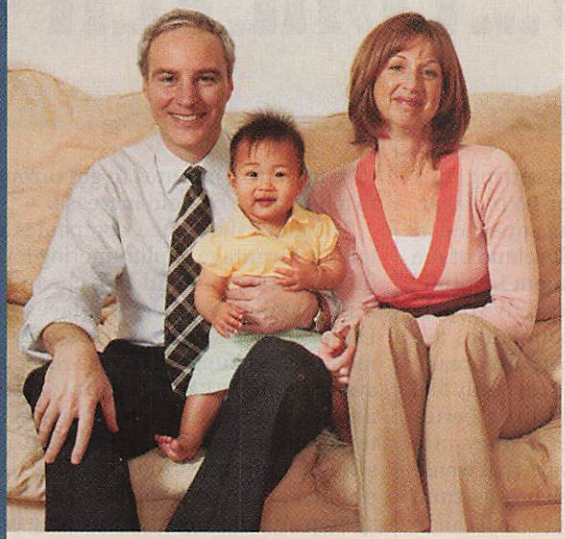
And though the FTC, the nation's premier consumer protection agency, has slightly increased its budget in recent years and won plaudits for finally tackling annoying telemarketing calls, its staff of 10,500 is having trouble finding solutions to the 100,000 new spam complaints forwarded each day. "Spam is the worst consumer protection problem I have encountered," says FTC chief Muris.

When the founder of the modern consumer movement, Ralph Nader, considers today's time-stressed, underinformed, underprotected, and spam-deluged consumers, he feels frustrated that they aren't even crankier. But he also sees hope. "The next step," he says, "is to band consumers together as a civic force with the use of the Internet."

That may be exactly what's starting to happen. Just ask Keith Lichtman, a New York City interior designer who was getting socked with big cellphone bills for exceeding his allotted 500 minutes. A friend who frequents the FatWallet Web site came to his rescue. Users there were reporting great deals if they called Sprint, asked for the cancellation department, and threatened to cancel. Lichtman tried it, and sure enough, Sprint gave him a plan better than any it is currently advertising, more than doubling his minutes for the same price.

The unexpected bargain made Lichtman realize his days of stress-free shopping are over. Now, he suspects he overpays anytime he hasn't done research, asked for an "unadvertised special," or negotiated with the salesperson. The Internet, while a great aid, doesn't really solve the main problem: "It is exhausting, being an expert in everything." But that's the way the world is going, so you may as well embrace it, he figures. The other day, he politely requested—and got—a senior citizen's discount. Not bad for a cranky 43-year-old consumer. ●

DAN LAMONT FOR *USN&WR*



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PLEASE HOLD...FOREVER

BY ALEX MARKELS

As Franz Kafka might have said, "In the fight between you and the call center, back the call center." That pretty much sums up John Amoroso's recent odyssey through labyrinthine phone menus, recordings insisting that his "call is important . . . please continue to hold," and a series of polite but ultimately unhelpful customer service agents—all in his pursuit of a place in the Neighborhood, an unlimited calling plan he had ordered but not received from MCI.

In a final attempt last month, the Longmont, Colo., resident dialed MCI's toll-free number for the fifth time, keyed in his phone number as requested, and, eight minutes later, was greeted by a live agent who asked for the identical information. Gritting his teeth, Amoroso told his story of a months-long struggle to get service. But after the agent twice put him on hold while she checked out the problem, he finally asked to speak with a manager. "So she put me on hold again," recalls Amoroso, and after four minutes of waiting, he was inexplicably disconnected. An MCI spokesperson says the company apologizes for Amoroso's frustrating experience and is working on the problem.

Some who track the burgeoning call-center industry say such tales of woe are the exception. But a June consumer survey by Genesys Telecommunications Labs, a call-center-software maker, found that 84 percent of respondents had suffered a "negative call-center experience." Although the industry has grown into a $180 billion-a-year leviathan with over 5 million workers in the United States, it is plagued by high turnover and balky technology.

The recent economic swoon has only made things worse. While companies try to hold down costs by transferring calls to overseas attendants and relying on automation, customers are increasingly calling for help that can be hard to find elsewhere. In a world of big-box stores and Internet retailers, the 800 number can be the only place to go for, say, advice on setting up a new wireless network or DVD player. "Call centers are getting squeezed at both ends," says Brad Cleveland of the Incoming Calls Management Institute, whose research suggests only 10 percent to 15 percent of companies are "doing a really good job in this area."

Call-center attendants certainly feel the squeeze. Often paid little better than fast-food workers, they are minutely monitored in ways that would make even George Orwell blush—from how quickly they complete each call to how long they stay in their seat. "You've got workers enslaved to the telephone who have to raise their hand just to go to the bathroom," says Michael Cusack, author of *Online Customer Care: Strategies for Call Center Excellence.* At its worst, "the call center is a place of Dickensian dilapidation," he adds, recalling one stark facility where agents sat on cardboard boxes.

> **"IF...YOU'RE NOT A BIG SPENDER, IT DOESN'T MATTER WHAT BUTTON YOU PRESS. YOU WON'T GET THROUGH."**
>
> MICHAEL CUSACK, *consultant*

DELUGED. Turnover can approach 100 percent or more annually, so attendants are often new on the job. At the same time, companies are desperate to wring more productivity out of fewer workers while coping with a surging annual volume of calls that runs to the tens of billions in the United States. They "can't possibly keep up," says Cusack. According to the Incoming Calls Management Institute, average waits at health insurers have quadrupled to two minutes since 1998, while calls to utility companies now take up to five minutes to get through to a human, a fivefold increase.

To handle the deluge, companies are taking advantage of plummeting long-distance rates and adding cheap but highly skilled workers in places like India. They also rely increasingly on menu-based integrated voice response systems, or IVRs. These automated phone trees serve as a first point of interaction, prompting customers to answer simple questions via the telephone keypad or a voice-recognition system and routing those needing help to the right department. But they are, at best, a work in progress. Take callers' all-too-common experience of being prompted to punch in a phone or account number only to have a live operator ask for it again moments later (a problem that nearly 3 out of 4 Genesys survey respondents reported). Experts blame that mostly on poorly integrated computer systems that can't communicate with one another.

When the IVRs do work, they can generate more annoyance. Many are set up to check a customer's "permanent record" to decide whether to send the call to a live operator or condemn it to menu hell. That decision is often based on the customer's value to the company, explains Cusack. "If your record shows you're not a big spender, it doesn't matter what button you press. You won't get through."

Getting through, however, may be a mixed blessing. Those who do often must endure sales pitches from agents whose screens have just flashed pop-up icons suggesting the caller is a good prospect for taking out a new home-equity loan or booking a vacation in Hawaii. At Citibank, for example, thousands of service reps have been trained to pitch incoming callers. With 20 percent or more of their pay now tied to sales, agents at many call centers dream up "redirect statements" to steer callers away from their original reason for dialing and toward making a purchase.

Also expect to be "redirected" if you call to cancel your service (story, Page

DIANA KOENIGSBERG FOR *USN&WR*

58). When a reporter calling to cancel a Bank One credit card last month traded greetings with a service representative, the agent enthusiastically replied, "It's my birthday!" Loath to disappoint anyone on that special day, the caller was soon persuaded to keep his card. Realizing later that the agent probably had several hundred birthdays a year, the caller tried again to cancel. "Well, it's my birthday, too," joked the second agent. He did cancel the card—but succeeded in selling the reporter a second card.

ANGER MANAGEMENT. Dee Kohler has heard of other creative redirect strategies from service reps, including one who pretended to be British. "Callers would say, 'Oh you have such a cute accent,' " the Omaha-based call-center manager recalls. "It totally defused any anger and got the caller to listen to what she had to say."

If you do lose your cool, it will be noted. Besides viewing detailed billing and service records, many agents can also peer at call logs with notes from those who previously handled a customer's calls. Some systems even display screen icons that flag troublesome customers. "It flashes little bombs with fuses based on how argumentative you are," Cusack says of one system used by a telecom company. "The rep may be trained to hang up or to immediately escalate the call to a supervisor."

That is precisely what happened to Ann Miller in May, when she tried to make changes to her phone plan with SBC Communications. Two months before, she'd had a heated exchange with an unhelpful agent about something else. This time, "I was immediately transferred to a supervisor who told me, 'Well, there's no reason to get upset again,' " recalls the Sausalito, Calif., resident. "She was totally judging me based on what the other rep had put in my record."

While John Amoroso never lost his cool in his attempts to join the Neighborhood, he has given up his fight for inclusion in the MCI community. "The people are very polite," he says. "But it's a bad neighborhood." ●

GETTING PERSONAL WITH THE CALL CENTER

In today's down economy, many companies are trying to save money by trimming call-center staffs, adding layers to already byzantine self-service menus, and installing voice-recognition systems. We asked industry insiders how to avoid getting caught in menu hell and make sure you're heard when you finally get through to an agent.

MAGIC NUMBERS. Many menu-based answering systems no longer let you dial zero at the first menu to reach an operator. But dialing three zeros will work at some companies, like MasterCard, Visa, and Apple Computer, while two zeros does the trick at Dell, Bank of America, and Sprint PCS. (Ignore the automated operator's "That is an invalid option" after dialing the first zero.) Michael Cusack, who advises companies about automated call systems, says some companies will also let you "zero out" after you reach the second menu. Also, try dialing *, *0, or *9, which are common escape settings on automated call systems.

IS THAT YOU, HAL? While voice-recognition technology has improved, asking HAL the computer for "men's apparel" may still get you shunted to the "infants and toddlers" department. To save yourself the grief, *Call Center Magazine*'s editorial director, Keith Dawson, suggests you simply try mumbling. After a few "I'm sorry, I didn't understand what you said" messages, you'll be transferred to a live operator.

BLUE MONDAY. With everyone in America starting weekly to-do lists, Monday morning is the worst time to get through to a call center. Late night isn't much better, as staffing is often cut to the bone. According to Brad Cleveland of the Incoming Calls Management Institute, studies of call-center traffic show that the best times to call are midafternoons on Tuesday through Thursday, when most people are too busy working to call.

GO PLATINUM. "Show me the money" is a call-center computer's unspoken response when you call its 800 number. The computer matches your number with a database of information on how profitable you are to the company. Depending on the verdict, it either routes you to an actual person or banishes you to menu hell. So, industry insiders suggest doing all you can to increase your clout: Use platinum-level credit cards; pool assets with fewer financial institutions; get elite status with airlines.

DON'T SHOOT THE MESSENGER. With companies increasingly obsessed with "first-call resolution," the front-line agent may offer your best chance at solving your problem. If he or she can't or won't do what you want, former call-center director Oscar Alban suggests you politely ask for a supervisor. But whatever you do, don't swear at the agent, or you may be marked as a troublemaker on computer records that other reps will see the next time you call. Worst-case scenario: Future calls from your number could be automatically blocked.

GET FRUSTRATED. A new breed of phone monitoring software actually picks up words like "frustrated" and "disappointed," then forwards recordings from phone calls containing such keywords to supervisors for review. The systems are only now being installed, but if you're frustrated, you shouldn't hesitate to say exactly that. It may get results. *–A.M.*

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FEELING DISCONNECTED

BY ANGIE C. MAREK

Last August when Ellen Hobbs discovered a $300 charge on her credit card bill from Amazon.com for merchandise she didn't order, the 34-year-old video game producer did the obvious: She turned to the bookseller's Web site for a phone number. After scouring the site, she came up empty-handed—and irate. When Hobbs finally found the obscure number through the search engine Google, she vowed to make it available by creating a special page on her Web site, Cliché Ideas (*www.clicheideas.com/amazon.htm*). Her Web page has become a popular spot, receiving a peak 3,000 hits in January.

To cut costs, many E-tailers are turning away from toll-free telephone help lines. A July report from Jupiter Research shows that 1 in 4 E-commerce sites doesn't display a telephone number clearly on its customer service page. Amazon has taken a more aggressive approach: "They basically just push you into E-mail," says Bob Chatham, principal analyst with Forrester Research. For its part, Amazon says the number is there. "It's not prominent, but it's definitely in a few places," says Kim Rachmeler, Amazon's vice president of worldwide customer service.

So what do you do if you have a question? These hide-the-number companies are fielding customer queries with E-mail, chat services, and search engines. Chat software enables sales reps to synchronize their browsers with needy consumers: They can view the customer's screen during their "conversation." This innovation has become widely accepted by the financial services industry. Sites like H&R Block and Wells Fargo use chat programs to assist customers with complex tax and mortgage forms. And technology preserves the anonymity that makes the online purchasing process so appealing to many people. "This is sort of like the ATM," says Rachmeler. "Some customers just find it more efficient to solve their problems on their own." That is, until things go awry.

The new tools don't help every time. Jupiter Research found that only 54 percent of sites with E-mail service responded to customer queries within 24 hours. And 28 percent took at least three days to reply—or never responded at all. Self-service engines yielded similarly fruitless results. Nearly half of Jupiter's online shoppers couldn't find the answer to a question when they turned to a self-help tool.

Still, shoppers dependent on E-mail need not feel powerless. Consumers can dash off an E-mail to the site prior to purchase to see if the company shows signs of neglect. It's a bad sign when a company fails to send an immediate response confirming the receipt of your E-mail. Alex Stein, president and CEO of Gomez Inc., which helps companies make their Web sites more user friendly, urges consumers to take their business elsewhere if the response seems spit out by an automated system. You could also take the same approach as Ellen Hobbs: Type "company name.com" and "customer service" and "phone" into Google. If you find the number, E-mail it to everyone you know. •

REVEALED: THE WEB'S TOP-SECRET NUMBERS

The help line is becoming a tool of last—or even, past—resort, so we're glad to share these obscure customer service numbers.

COMPANY	WEB SITE	HOW THEY SERVE YOU	PHONE NUMBER
Amazon	www.amazon.com	Vigilant shoppers get a quick glimpse of the phone number right after placing an order.	**800-201-7575**
Hallmark	www.hallmark.com	Customers are urged to try a self-help search engine before resorting to E-mail.	**800-425-5627**
Netflix	www.netflix.com	The number for this DVD rental site is tucked away behind the link "learn more."	**800-585-8131**
Sony	www.sony.com	The only number on the site reaches tech support for previously purchased products.	**800-571-7669**
Target	www.target.com	Target just removed the number from the site, opting for E-mail-only customer service.	**800-591-3869**

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HAVING A BREAKDOWN?

BY KENNETH TERRELL

Jerry Bronson's feelings were, well, unprintable. Both of his ink-jet printers had quit working, and calls and letters elicited little help from the makers. The retired policeman, who lives in Shasta, Calif., ultimately gave up on the less expensive Epson model—about a year old—and trashed it. "For $150 and the frustration, it wasn't worth it," says Bronson. But for the $400 all-in-one unit, so new it was still under warranty, he hounded the company with calls and letters until he got results: a brand-new printer. "The Canon became a crusade," he says. "That's what you have to do."

For things that are supposed to make our lives easier, gadgets often add a lot of work. "We have such great expectations for how they'll solve our problems, but then we spend so much time learning and fixing and maintaining them," says Northwestern University computer science professor Donald Norman, author of *Emotional Design: Why We Love (or Hate) Everyday Things*. While complex gadgets have proliferated, electronics repair shops have been vanishing—dwindling from about 40,000 nationwide in 1985 to 10,000 at the end of last year. So more people find themselves puzzling over what to do when a screen goes dead or a signal fades. If you've owned the product for a few years, chances are that shelling out for a new one will be cheaper than fixing the old. But if the device was expensive or stops working before its time, roll up your sleeves and

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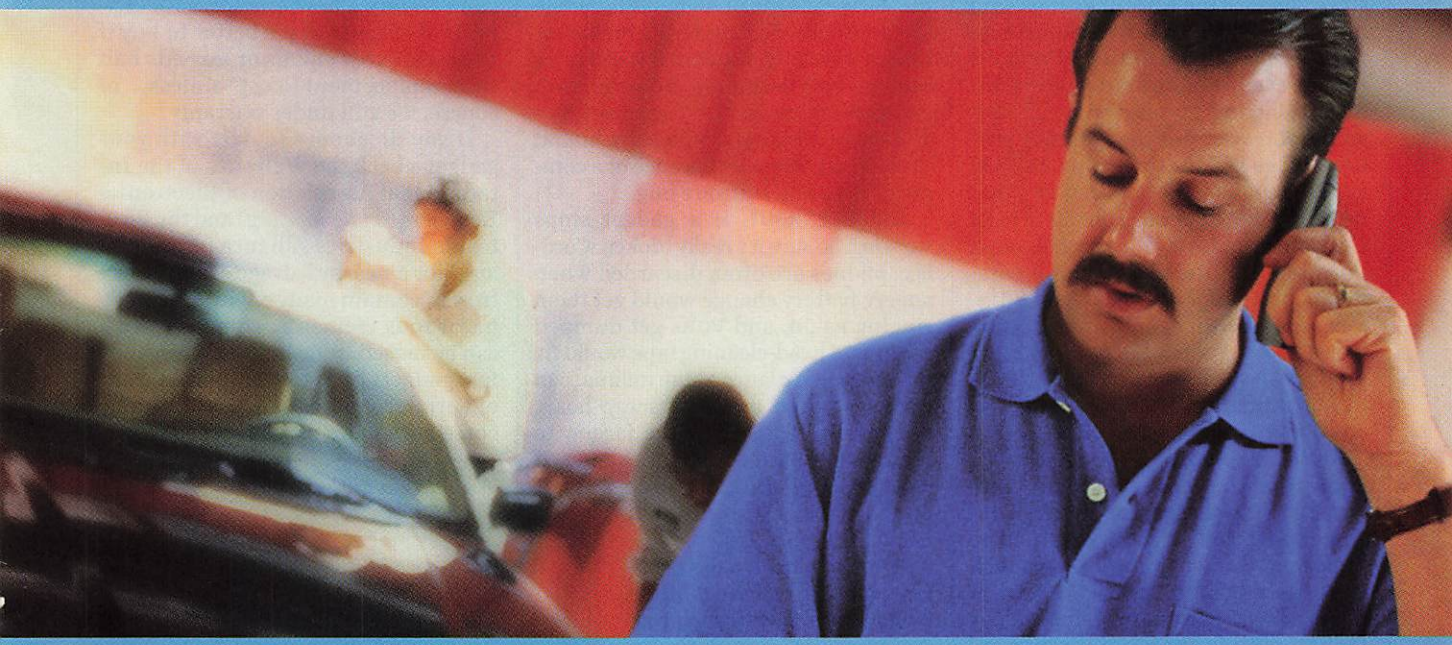

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ARRIVE SAFELY.

start sifting through warranties, calling manufacturers, and tracking down repair centers. Early and mysterious breakdowns are a fact of life for consumer electronics. But the following rules may avert some frustration.

CHOOSE WISELY. Never, ever go to a store and face the rows of gizmos with inscrutably different features and hypnotic display lights until you've done your research. Before the digital era this meant digging up old copies of *Consumer Reports*. But the Internet puts knowledge at your fingertips. Start at *CNET.com,* which offers reviews that delve into the technical elements of most electronics in down-to-earth language. For more unfiltered views and comments on reliability, check out *Epinions.com,* where real-life owners post reviews. If several people pan the same product—especially if they call it things like "nightmare in a box," the verdict on one digital camera—steer clear.

READ THE FINE PRINT. "Make sure you know what the warranty covers," says Jim Barry, spokesperson for the Consumer Electronics Association. "The important thing to know is how much you're getting for free with the price of the product." For example, do you pay for shipping to the repair center, replacement parts, or tech-support calls? These details vary with the product and the company, so be sure to check on the Web or ask a knowledgeable sales assistant—if you can find one.

Being familiar with the manufacturer's warranty also makes it easier to refuse the extended warranty offer, which can cost about 10 percent of the gadget's sale price. "The salesman often makes more of a commission on the sale of an extended warranty than he does on the sale of the product," says Ron Sawyer of the Professional Service Association, a trade group for electronics- and appliance-repair businesses. Yet many problems or defects show up in the early months of ownership, while the product is still under its manufacturer's warranty. Extended warranties can be worth the money, however, with expensive items such as big-screen TVs and with computers, which are bound to crash occasionally because of a computer virus or a software bug.

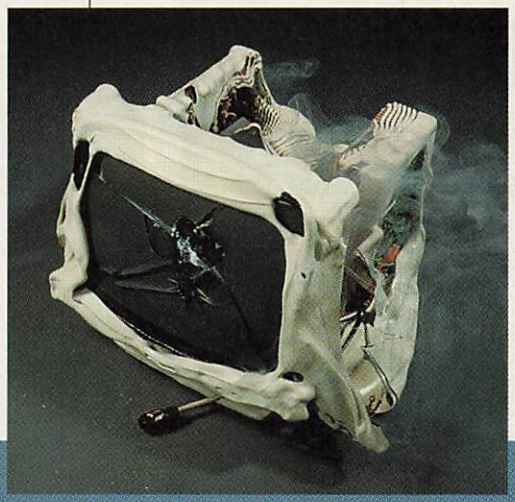
TROUBLESHOOT. If a gadget stops working, be sure it's really broken. Cordless phones are often discarded when a mere battery change would get them ringing again, and VCRs get dumped when a $5 head-cleaning tape would fix the picture. A glance at the manual can save a product from the scrap heap, once you've translated the jargon to realize that batteries are to blame. If you misplaced the manual, check for it on the maker's Web site or at *www.livemanuals.com.*

If you can't solve the problem yourself, call the local repair shop specializing in products from that manufacturer. Most will identify the problem over the phone and quote you a price, says Sawyer. When a chat can't pinpoint the breakdown, you'll have to bring the gadget in for a $40 to $50 diagnostic, a fee often deducted from the repair cost.

REPAIR OR REPLACE? Before you take that step, check that it's worthwhile. With midprice devices such as VCRs and CD players over two years old, it's cheaper to buy a new one, according to a survey of 38,000 readers of *Consumer Reports.* "It's going to cost you 50 bucks to have someone check out [a VCR]," says Barry. "Well, you can buy a new one for $50." Experts also say that it's better to buy if the repair cost equals or exceeds half the replacement cost—unless, of course, it's still under warranty.

If you do choose to part with your gadget, check the Web sites of the International Association of Electronics Recyclers (*www.iaer.org*) and the Electronic Industries Alliance (*www.eiae.org*) for a nearby salvage center. Electronics contain many environmentally hazardous elements, some of which can be reused. Who knows? Given how fast gadgets have to be replaced, your old printer—pieces of it, anyway—may come back to haunt you someday. ●

With David LaGesse



SNAP, CRACKLE, POP—AND FADE AWAY

There's no way to know how long your new gadgets will last, but don't grow too attached to your cordless phone.

PRODUCT	EXPECTED LIFE SPAN IN YEARS	PERCENT OF RECENT PURCHASES THAT WERE REPLACEMENTS	PERCENT REPLACED BECAUSE OF A MALFUNCTION	COMMON PROBLEMS
PDA	5.1	15%	NA	Cracked screen, lost stylus
Laptop PC	6.3	33%	18%	Malfunctioning touchpad, screen damage
Cordless phone	6.6	69%	77%	Dead battery
Portable music player	6.9	42%	52%	Damage from dust, water, and being dropped
Digital camera	7.0	10%	NA	Scratched lenses, dust and water damage
Desktop PC	7.5	47%	25%	Viruses, jammed CD/DVD drives
VCR	9.0	53%	71%	Clogged loading mechanism, dirty tape heads
Camcorder	9.3	28%	49%	Scratched lenses, dust and water damage
Home stereo	9.6	42%	34%	Broken or jammed CD-loading mechanism
Television	10.0	45%	59%	Fading picture

SOURCE: EBRAIN MARKET RESEARCH

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ML 2003-21 04/03

JUST PLAIN COMPLAININ'

BY VICKY HALLETT

Nothing peeves Peter Martin like the stench of cigarettes. So after driving a rental car that reeked of stale tobacco, the 24-year-old New Yorker made a point of requesting a nonsmoking car on his next trip. But when he landed at O'Hare and opened the door to his red Pontiac Sunfire, he was hit with the odor of musty smoke. Annoyed, he settled into the seat and made another discovery: The ashtray was full of butts. "I had to smell it all week," he says. So he fired off a letter to Avis and scored a $50 gift certificate.

Complaining is often discouraged in our society, says Bowdoin College psychology Prof. Barbara Held, author of *Stop Smiling, Start Kvetching*. "There is a tyranny of a positive attitude in America," she says. "Negativity is not seen as virtuous." People fear they will offend service workers by pointing out a problem or that they will alienate friends and family by doing so in their presence. But this is no excuse for ignoring injustice—or an undercooked dinner. "If you're paying money," Held says, "you should get the goods." Companies usually agree, which is why so many funnel huge amounts into making people like Martin happy.

POWER OF THE PEN. Martin now fancies himself a master of the missive. An encounter with a rude United Airlines ticket agent got him a $100 voucher. When Dell shipped his computer three weeks late, he finagled a free printer and camera. Two bottles of wine and a cheese platter arrived soon after he sent a quick note to the manager of the Ritz Carlton in Atlanta about being awakened in the middle of the night. The secret to his success, he reveals, is writing powerful letters. "You always see those people who yell," he says. "Freaking out doesn't get you anything." Martin and other successful complainers have perfected techniques for getting your due.

In each letter, he praises the company for its past interactions with him and then feigns surprise over the occurrence of such an anomalous incident. Cherie Keen, research director for the Society of Consumer Affairs Professionals, says it is crucial to reinforce that you are a valuable customer. "Even if you're complaining about something small like toothpaste, remember that if you buy the same brand every few months for many years, you're worth a lot of money to that company," she says. A SOCAP study showed that a good contact with a customer service representative for a beauty care, food, or beverage company can translate into about $130 in loyalty dollars.

For those people who take their complaining seriously, editing and writing services are now available to ensure your letter is packed with SAT-level vocabulary (*complaincomplain.net* and *writelikealawyer.com* are two choices). Raising the level of verbiage may not be worth the fee, however. Robert Alberti, author of *Your Perfect Right*, says, "Some people think they need to have special skills to complain. That's an unnecessary inhibition." Simple words work fine, he adds, as long as you are clear, direct, and concise about what was wrong with the product or service and what you want in return, whether it is a refund or some sort of extra compensation. Invectives like "You're a lousy organization" are rarely productive but requests that a company honor its commitments are, he says. "If an organization has some sort of slogan, toss that right back at them," Alberti suggests. "Lexus is 'pursuit of perfection.' In your letter, you could say, 'You don't seem to be pursuing it in my case.'" And ask for an apology. It doesn't cost you anything, and it might make you feel better.

Sending these thoughts via snail mail may be the traditional course of action, but E-mail has become the technique of choice. Both have the advan-

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Broadway, NY 55555
Aug. 4, 2003

Seymour Krelborn
Mushnik's Flower Shop
555 Skid Row
Broadway, NY 55555

Dear Mr. Krelborn:
Re: Audrey II

On July 20, I bought a plant named "Audrey II" from your quaint shop for $1.95. Although I fed and watered the plant according to your strict directions, it turned brown and died within a week.

I have been a devoted customer of your shop for 20 years. I have had great luck with some of the exotic offerings from your greenhouse, and I am shocked that these instructions were so misleading.

I would appreciate an apology and a store credit for the money I spent on both the plant and its care. Enclosed are copies of my receipts.

I look forward to your swift reply. I will wait until Aug. 18 before I seek help from the Better Business Bureau. Please contact me at the above address or by phone at (555) 555-5555.

Sincerely,
Orin Scrivello, D.D.S.

EXPLAIN THE PROBLEM. For example, the product does not work properly, the service was not performed correctly, or you were billed for the wrong amount.

THE DATE OF THE TRANSACTION IS VITAL. Name the product or service and describe whether you bought, leased, rented, etc., the location of the transaction, and other applicable details.

STATE THE DESIRED REMEDY: money back, charge card credit, repair, exchange, etc.

SET A TIME LIMIT FOR A RESPONSE, usually 10 business days.

INCLUDE PHOTOCOPIES OF RECEIPTS, guarantees, warranties, canceled checks, contracts, model and serial numbers, and other relevant documents.

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tage of creating a written record of your interactions with the company, but electronic communications can be forwarded to the right person within seconds, whereas a letter can get shuffled around an office for days. The content and form of an E-mail should nonetheless resemble anything you would stamp and drop off at the post office, according to Mary Levy, consumer publications and media director for the Federal Citizen Information Center. "You don't want to fall into the breezy, highlights kind of wording usually in E-mail," she warns.

And don't assume you'll receive an immediate reply. In your note, set a time limit for a response—10 business days is reasonable—and then hold on. "People expect they're going to get an answer quickly, and then they call because the response doesn't come fast enough," Keen says. This leads to several complaints going through various channels simultaneously and can make it more difficult for a company to fix a problem.

When letters and E-mails are ignored, however, most customers will seek out human contact, either over the phone or in person—often to their detriment. Some people lose control in the heat of the moment. "They somehow think they need to talk louder or intimidate the other person," Alberti says. "But usually the people we're complaining to are not the ones who set the policy. Yelling at that person is not going to accomplish a whole lot. If you scream at me, I'm going to be defensive. Most often the attitude will be, 'I'm not dealing with this jerk.'" More effective than turning up the volume, he counsels, is your persistence. If one person cannot help you, go to the next level up. Martin suggests using humor: "I say, 'If you can't help me, I'd like to complain to someone higher up to waste more people's time.' They always think that's funny."

The best tip is to know your rights as a consumer, Levy says. The FCIC produces the Consumer Action handbook and an accompanying Web site, *consumeraction.gov,* which provide extensive information on what to do before and after a business transaction to protect yourself. It can help to know, for instance, that if you make a purchase at your home from a door-to-door salesperson and change your mind, you have three days to cancel, thanks to the "cooling-off" rule. Or if you are bumped from an overbooked flight and the airline can't get you to your destination within one hour of your scheduled arrival time, you are guaranteed compensation.

GO TO UNCLE SAM. A researched, valid complaint is better than vague assertions that the customer is always right. If you are correct, have explained your problem clearly, followed the appropriate channels, and still remain unsatisfied, your final recourse is to register the complaint with a federal agency such as the consumer action site (story, Page 18). "If there is a safety hazard, like a toy that is dangerous in some way, reporting that is a public service," Levy says.

Complainers may be unlikely heroes, but even corporations often appreciate the feedback. "Someone who keeps quiet and never resolves the problem is much more likely to tell people not to do business with that company," Levy adds. "Some say a complaint is a gift from a customer."

Of course others get fed up by people repeatedly nitpicking—just ask Newton, Mass., resident Nancy Singer and her sister. Lifelong shoppers at the discount chain Filene's Basement, the duo was recently banished from the store. Their crime? Complaining. "Given your history of excessive returns and your chronic unhappiness with our services, we have decided that this is the best way to avoid any future problems," they were informed by the company. Cranky customers, note this cautionary tale. If only they had limited their grievances and not posed such a nuisance to sales associates, they might have gotten a free pair of boots instead of a boot out the door. ●

RESCUE SQUADS

BY SAMANTHA LEVINE

The brand-new computer sizzled and fizzled. The roofer's handiwork led to an indoor flood of biblical proportions. The HMO won't send you a copy of your medical records even though they charged a copying fee to your credit card. You've written letters, sent E-mails, left voice mails filled with phrases like "no choice but to call a lawyer." And nothing. Zilch. Not a whit of satisfaction did you get.

As newsweeklies like to say: You are not alone. A number of reputable groups and individuals stand ready to take your case.

Historically, consumers with complaints have turned to Uncle Sam and friends: the Federal Trade Commission, the Consumer Product Safety Commission, and state attorneys general or local district attorneys. Budget cuts have taken a toll, but these groups still soldier on.

AB-SURD. The 89-year-old FTC uses a massive database of consumer complaints to squash scams. Victims may even get some restitution. In "Project ABSurd," which began in May 2002, the FTC filed complaints against the companies marketing three electronic abdominal exercise belts—Fast Abs, AbTronic, and Ab Energizer—after consumer complaints that the devices did not create the promised "six-pack abs." (Whodathunkit?) "The claims were outrageous," says Heather Hippsley, assistant director of the FTC's advertising practices division. A few weeks ago, the FTC slammed the ab scammers, winning a $5 million settlement to give consumers some portion of their money back.

"Every complaint," says FTC spokeswoman Lois Greisman, "is potentially the one we've been looking for." The FTC accepts complaints online (*www.ftc.gov*), by snail mail (Federal Trade Commission, CRC-240, Washington, DC 20580), or at (877) 382-4357. You'll hear back only if your complaint is used in a larger case.

The CPSC, which protects consumers from the hazards of everyday products, is itself suffering from the hazards of budget cuts. The employee roll is down to 471 full-timers, an all-time low. That's bad news for efforts to modernize, but the agency is still effective: In June, more than 1 million car seat/carriers were recalled because of faulty handle locks that can break and flip infants to the ground. The CPSC processes about 10,000 reports of product-related injuries and deaths per year. Gripe by E-mail (*hazard@cpsc.gov*), phone (800-638-2772, Ext. 650), fax (800-809-0924), or letter (U.S. Consumer Product Safety Commission, Injury Report, Washington, DC 20207). After reading your complaint, the CPSC sends a letter describing how it may use the information and gives you a chance to make additions or corrections. If you have fingered a manufacturer, the CPSC will send your complaint to the company, which may respond directly to you. If the CPSC does a more comprehensive probe—that happens with only a few cases—an investigator will contact you by phone or mail.

If Penelope the Plumber stiffs you, try a local consumer protection agency, district attorney, or your state's attorney general. But you may need to be patient. Budget cuts forced the Sacramento, Calif., district attorney's office to "just stop taking cases for four months," says Russ Detrick, head of the office's consumer division. That situation turned around in July, but Detrick says that they'll still "have to scrutinize the cases we take a lot more. There have to be more victims."

Even in tough times, consumer protection bureaus can be seriously hands-on. In Montgomery County, Md., a resident's complaint that his water heater installation was too expensive triggered a visit from a county investigator and a plumbing expert. They deemed the price reasonable but will still investigate the company that did the work—it never got a county permit or inspection. "It's critical that people complain," says Eric Friedman, investiga-

ILLUSTRATION BY MICHAEL MILLER FOR *USN&WR*

tive administrator for the county's division of consumer affairs. "They are our eyes and ears." For a list of state and local programs, go to *www.pueblo.gsa.gov/crh/state.htm.*

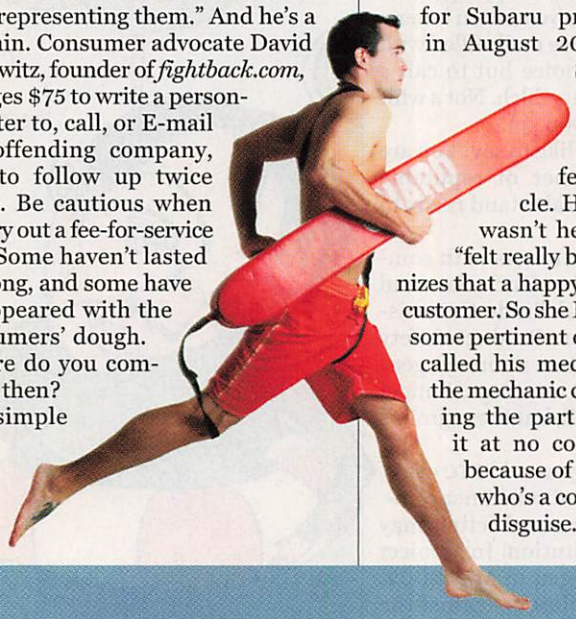
Among nonprofit crusaders, the Better Business Bureau is the most well known—and the busiest. The 124 BBB offices nationwide have seen complaints shoot up by more than 50 percent in the past two years to more than 626,000. Among the fastest-growing subjects of complaint are confusing cellphone plans, Internet services, and computer dealers. A new online complaint form also has boosted the numbers. That has meant longer turnarounds for answers. To deal with the backlog, the Dallas bureau, which received 17,671 complaints last year—the highest total in 10 years—provides "express" handling for $20 to folks who don't want to wait up to six weeks or so for resolution.

Some irate consumers are so tired of "free" help, they're willing to pony up cash to a handful of Web sites that pester companies for you. Your money buys a little more follow-up than you might get from a government or nonprofit group. Attorney Carl Shoolman's *cx.org* made the difference for one annoyed consumer. In this case, a client tried to get a refund from Sears after ordering a garage-door opener—and getting a deep-fat fryer instead. The man called Sears several times. The company told him to purchase another opener and said that if it found the first one, it would refund its cost. The flummoxed deep-fat fryer owner contacted Shoolman, who was able to direct a letter to the right person at Sears. The company made the refund.

PIT BULLS. Shoolman says the customer service reps probably aren't programmed to stonewall customers, but their "job is to get yelled at all day and say no." The $43 fee Shoolman charges pays for his loyalty: "It's the only way consumers can be sure that we are fully representing them." And he's a bargain. Consumer advocate David Horowitz, founder of *fightback.com,* charges $75 to write a personal letter to, call, or E-mail the offending company, and to follow up twice more. Be cautious when you try out a fee-for-service site. Some haven't lasted too long, and some have disappeared with the consumers' dough. Where do you complain then?

A simple online rant might get you satisfaction—and won't cost a penny. The Web is full of sites where disgruntled folks dump on the source of their discontent. And the corporate world is a little nervous about bad Internet karma. Most companies ignore the "sucks" sites like *sucks500.com,* which posts laments on everything from George W. Bush to Microsoft. But they monitor sites like *complaints.com* and *thecomplaintstation.com,* and once in a great while, they take unsolicited action.

As Subaru's quality control and training leader, Patricia Mickel spends 10 hours a week trolling the Net for Subaru problems. One day in August 2001, she found a Subaru owner venting on car Web site *edmunds.com* about a broken differential on his vehicle. He said that Subaru wasn't helping him. Mickel "felt really bad." She also recognizes that a happy customer is a loyal customer. So she E-mailed him, asked some pertinent questions, and then called his mechanic. Eventually, the mechanic confessed to damaging the part and agreed to fix it at no cost. And it was all because of a corporate captain who's a consumer crusader in disguise. ●



OH COME, ALL YE HELPLESS

No, they won't lend a hand if the dog ate your tax return. But these groups promise a measure of aid for folks with legit gripes.

GROUP	HOW IT WORKS	FEE	COMMENT
PlanetFeedback www.planetfeedback.com/consumer	Fill out a form and the Feedbackians turn it into a well-phrased letter you can send via E-mail or snail mail. They even tell you the best person to send it to.	None. To survive, they sell consumer data to corporations.	Too busy (or too intimidated) to write your own letters? You've got nothing to lose.
Better Business Bureau www.bbb.org, (703) 276-0100	Has online complaint forms. The BBB forwards the complaint to the company, requesting resolution. Typically a three-week time lag before a response comes.	Free online; two chapters charge for phone help.	If a company doesn't reply, BBB can only note that fact in its records.
Call For Action www.callforaction.org, (301) 657-8260	They'll assign one of their 1,200 volunteers to your case until it's resolved.	None.	Partners with TV stations in 22 cities. Strong on telemarketing scams and Internet fraud.
Fight Back! www.fightback.com	Founded by TV journalist David Horowitz. His group considers your complaint and takes it on if it seems you have a case.	$75 to pursue a complaint, $25 to answer a question	Horowitz's reputation carries clout. Maybe that's why his picture is plastered all over the site.
ConsumerXchange www.cx.org, (585) 271-7170	Lawyer Carl Shoolman promises to pursue a case with letters and phone calls until you get an offer you deem acceptable.	$43	Limited track record, but anyone who can get AOL to correct a billing error deserves consideration.
Complaints.com www.complaints.com	You post your complaint for all to see (and if you're so inclined, you can share this fact with the target of your wrath).	None.	For people who want to vent (and hope someone will notice). – *Channing Joseph and Jennifer Bauser*

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Puppets of the world, unite! Follow our battle plans for consumer justice, and you'll have plenty to gain

HEALTH How to get the right doc, cheaper pills, and accurate bills 50

MONEY The real skinny on stocks, mortgages, and credit cards 56

SERVICES Help for fliers, drivers, movers, and cellphoners 62

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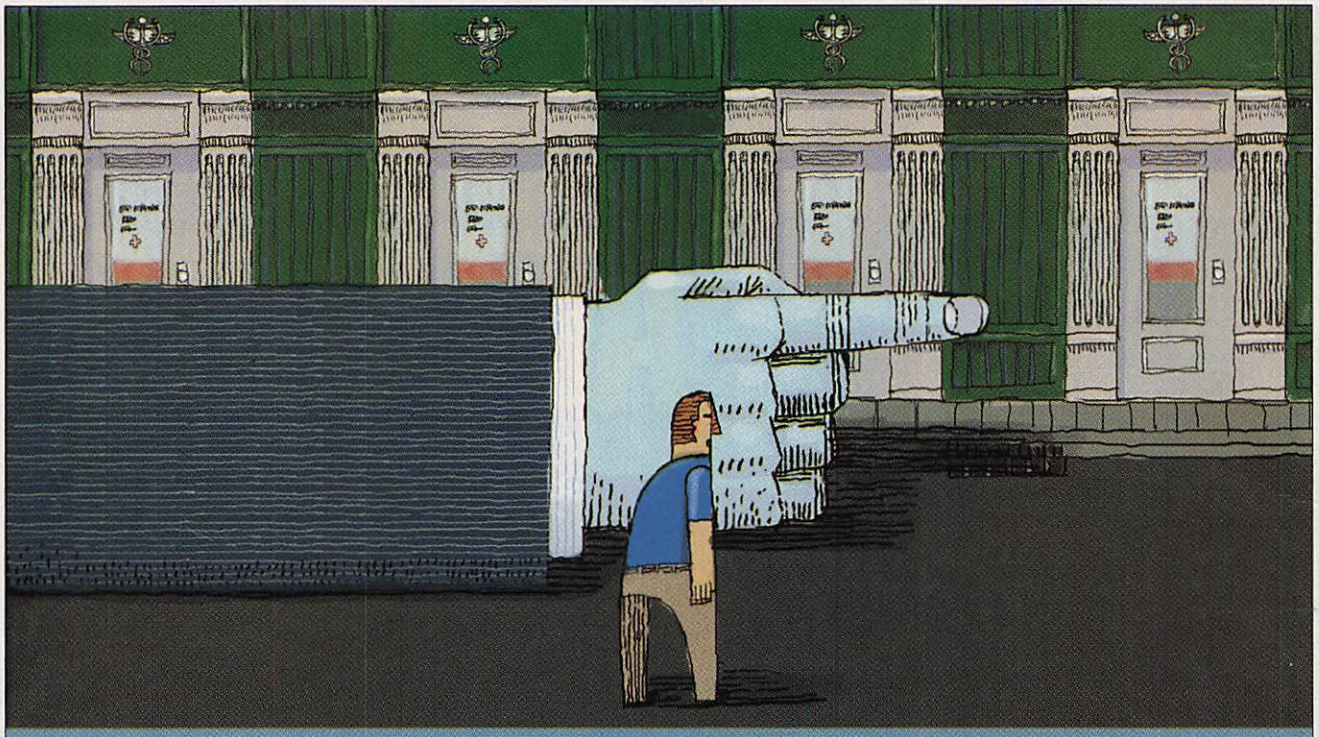


HEALTH

WHO'LL PAY FOR THE DOC YOU WANT?

TRUE STORY. To Nancy Weiss, things looked bad: "Something had to be done, and fast, or my daughter would be dead." The teenager was potentially suicidal and getting into drugs, and had been to a dozen therapists in Maryland, where the two lived. Weiss (whose name has been changed to preserve her privacy) is a single mom and education consultant. She had health insurance and a therapist's strong recommendation that her daughter get away—friends were linked to many of her problems—and be treated at a specialized residential facility in Utah. "So I called my insurance company, and they said no dice: They would only pay for something local. And staying local was part of the whole problem!" Weiss dipped into her daughter's college fund—"if she was dead, there wouldn't be any college"—and began paying $6,120 a month for out-of-state treatment.

WHAT'S UP. Health insurance companies frequently refuse to pay for you to see the doctor you want to see. "It happens every day. This is huge," says Mary Jane Stull, a former claims processor who counsels patients on ways to fight back. (Her company's Web site is *insurancenightmare.com.*) A woman with cancer in both breasts was told she could not see a specialist outside her HMO even though the HMO surgeon had missed a tumor. A car accident victim was told she didn't have coverage for the specialists and emergency personnel who cared for her. And when companies say no, most patients give up. The Rand think tank looked at denial-of-coverage decisions in two of the nation's largest HMOs and found only 3 or 4 appeals per 1,000 members.

BATTLE PLAN. Yet the Rand study also found that 42 percent of appeals for additional services are decided in favor of the patient. You can tilt the balance further in your favor. Get past the insurer's customer service reps at the 1-800 phone lines. They aren't healthcare professionals. Most companies have "case managers" who are nurses: Ask to be assigned to one, saying you have a complicated illness that needs to be carefully managed. (If you run into resistance, ask your current doctor or a nurse in the doctor's office to call the insurer for you.) Write letters citing a serious threat to your health. The case manager may be more understanding of your medical needs. If not, ask for a review by the company's medical director. Your employer may also be willing to switch you to a more flexible insurance option "for cause" (that's what happened with the breast cancer patient). As for Weiss, she hired Stull. After a bit of back and forth, the insurer decided the Utah treatment was covered—and is reimbursing some past expenses as well.

BONUS TIP. Proper language helps your appeal. Patients Are Powerful, a nonprofit based in Penryn, Calif., has crafted strongly worded model letters requesting payment for a specialist or second opinion. The letters use phrases like "imminent and serious threat to my health" and insist on a decision within five days. You can download and customize these letters at *patientsarepowerful.org.*
–Josh Fischman

ILLUSTRATION BY ROBERT MEGANCK FOR *USN&WR*

HEALTH

WHEN DRUG PRICES ARE OUT OF REACH

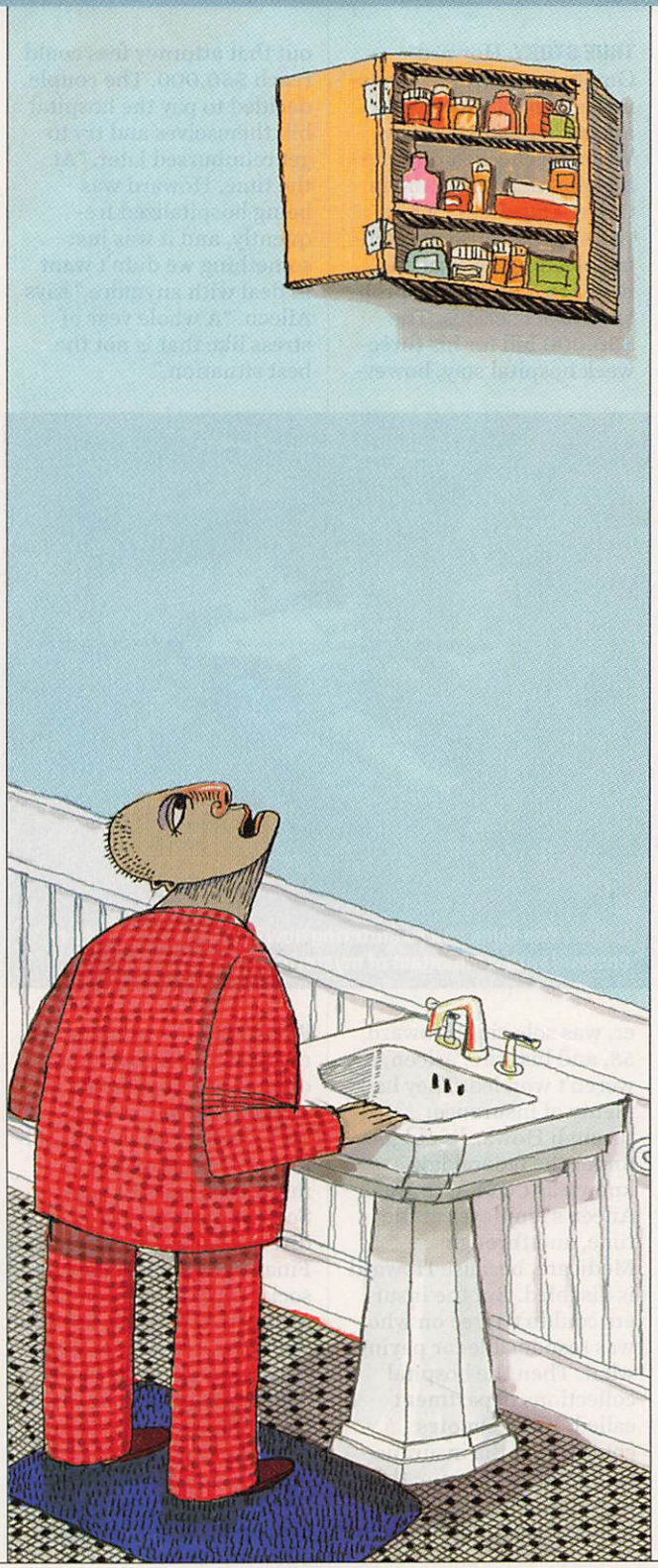
TRUE STORY. Elderly and uninsured Americans pay the highest prices in the world for prescription drugs. Ronald Jacobson found out what that means when he retired in 2002 and bid farewell to his workplace health insurance. Suddenly, he was responsible for his $130-a-month prescription for Prevacid, which he takes for heartburn. Next year, when his wife, Susan, retires and loses her drug benefits, the Crystal Lake, Ill., couple will face even steeper pill bills. A lupus sufferer, Susan takes 10 medications.

WHAT'S UP. Medicare does not cover prescriptions. Americans without health insurance also must pay full retail price for drugs. Even some insurance plans won't cover certain drugs.

Drug companies have a different view. The bulk of their profits come from drugs sold in the United States. If too many people bypass high U.S. prices, the industry might be less willing to make the risky investment to seek cures for plagues like cancer. Just last week, Pfizer threatened to restrict drug sales to Canadian pharmacies that sell to many U.S. citizens.

BATTLE PLAN. Go generic if your doctor agrees a generic will work (prices for generics are often cheaper in the United States than abroad and are cheapest of all at bargain chains like Costco). Or go online.

The legality of buying drugs online from abroad is a gray area. Last month, the House of Representatives voted in favor. A Senate vote is pending. In the meantime, "nobody has convinced me we're compromising people's lives by getting drugs from Canada," says Elizabeth Wennar, principal of the consulting firm HealthInova. The physicians she works with agree the real threat to patients is their inability to pay for drugs they need. And Canada's drug oversight is similar to the Food and Drug Administration's. Rep. Gil Gutknecht, a Republican from Minnesota, comments that the FDA and customs don't bother with people who get no more than a three-month supply from abroad and who order for their own use.



You don't need to ask your doctor's permission to order drugs online. But ordering a prescription drug without medical care and a prescription from a physician is foolish. A reputable site will ask you to mail or fax your prescription, and will not fill an order without it. The FDA warns that consumers should never buy certain drugs over the Internet because they have safety restrictions. Accutane, for example, is used to treat severe acne but can cause birth defects if taken by a pregnant woman; a physician should monitor its use. Other FDA information can be found at *www.fda.gov*.

A number of Web sites let Americans order from Canada, where prices are substantially lower because the government negotiates to keep a lid on medication prices. But pharmaceutical choices on the Internet are varied—and chaotic. A few reputable sites will, for a fee, sort out the array. At *www.pharmacychecker.com*, in-

ILLUSTRATION BY ROBERT MEGANCK FOR *USN&WR*

vestigators evaluate pharmacies to be sure they're licensed and connected to a brick-and-mortar drugstore. It lists only licensed stores and has found that just half of online pharmacies have a government license. The FDA warns that unlicensed online pharmacies may sell poor-quality or incorrectly dispensed medicines. Its listed sites also have good privacy policies. Subscribers pay $24 a year, or $10 a month.

In addition to evaluating Canadian pharmacies and comparing prices, *www.RXDiscountGuides.com* lists state and drug company programs offering discounts. The information costs $299 a year; libraries and senior citizen organizations often share the information with others. Individuals can opt for a less expensive monthly or daily subscription, or buy a $40 guidebook (303-984-2233).

A nonprofit site, *www.mnseniorfed.org*, grew out of the activism of the Minnesota Senior Federation. For $19 a year ($30 for a couple), anyone in the United States can join and have access to lower prices from a reputable Canadian pharmacy.

You'll soon recoup the subscriber fees. Jacobson can get a month's supply of Prevacid from a Canadian pharmacy for as little as $58 plus $10 shipping. He doesn't like undercutting the pharmaceutical industry—but is glad his medical budget is under control.

BONUS TIP. Often, Internet prices for lifestyle drugs (like Viagra and Rogaine) are higher than drugstore prices. Perhaps because of embarrassment, some people pay higher prices to sites that supply the drugs without a prescription—a practice that is dangerous to consumers. *–Susan Brink*

HEALTH

DON'T GET KILLED BY BILLS

TRUE STORY. Howard Omote has multiple myeloma, a form of cancer that affects his bone marrow. When he checked into the hospital near his home in Culver City, Calif., a few years ago because of internal bleeding, he was relieved to discover the problem wasn't serious. The $30,000 bill for his three-week hospital stay, however, was sobering. Howard, 58, and his wife, Aileen, 57, weren't worried. They had plenty of insurance: through Howard's old job under the federal law known as COBRA, through Aileen's employer at the time, and through Medicare, because Howard is disabled. But the insurers couldn't agree on who was responsible for paying what. Then the hospital collections department called. If the Omotes couldn't get the insurance companies to pay up, they were told, they'd have to get legal help. Aileen found out that attorney fees could reach $50,000. The couple decided to pay the hospital bill themselves and try to get reimbursed later. "At the time, Howard was being hospitalized frequently, and it was just something we didn't want to deal with anymore," says Aileen. "A whole year of stress like that is not the best situation."

OUCH. You think you're suffering now? Just wait until you're covered with a mountain of mysterious medical bills.

WHAT'S UP. A confusing medical bill. Is there any other kind? Healthcare financial systems are set with medical providers and insurance companies in mind, not patients, says Scott Johnston, technical director for the Healthcare Financial Management Association, a professional organization. A Kaiser Family Foundation study in 2000 found 1 in 4 people who had health plan difficulties cited billing and payment problems as the snag. The problem may be worsening. "We're seeing more physicians refusing to file insurance claims for patients," says Sandy Shook, vice president of patient services operations for the Patient Advocate Foundation.

BATTLE PLAN. The Patient Advocate Foundation *(www.patientadvocate.org)* will help sort out your bills free if you've got a chronic, life-threatening, or debilitating disease. In January 2002, the Omotes sent copies of their bills to the group, which worked with the insurers to figure out who owed what. In August, the couple was reimbursed for the $30,000. Many states have a healthcare ombudsman office that will do the same (to see if your state has one, go to *www.healthassistancepartnership.org* and click on Program Locator). Another option: For $55 to $85 an hour, a private claims advocate will review your bills and figure out what you owe. The Alliance of Claims Assistance Professionals Web site, *www.claims.org*, lists companies in 14 states.

BONUS TIP. "Many people just pay [their medical bills], and they don't owe the money," says Diane Meyer, an individual claims manager with Medical Business Associates, a medical bill management company based in Etowah, N.C. Before you do, review the explanation of benefits from your insurer that tells how much the insurer is paying on the claim. The EOB should arrive within 30 days of service (if it doesn't, call the doctor's office to make sure the claim was filed). If there are discrepancies, investigate first, and pay later. *–Michelle Andrews*

WALTER HODGES—CORBIS

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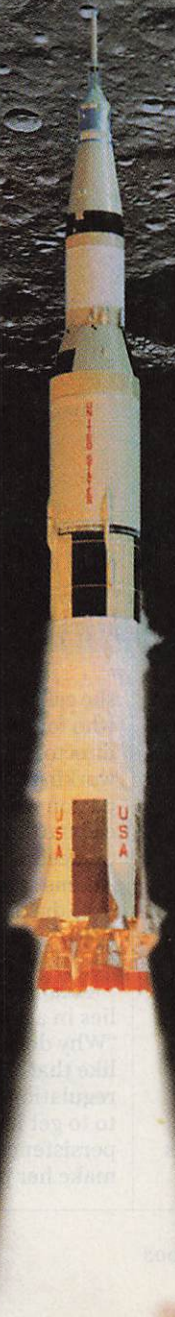

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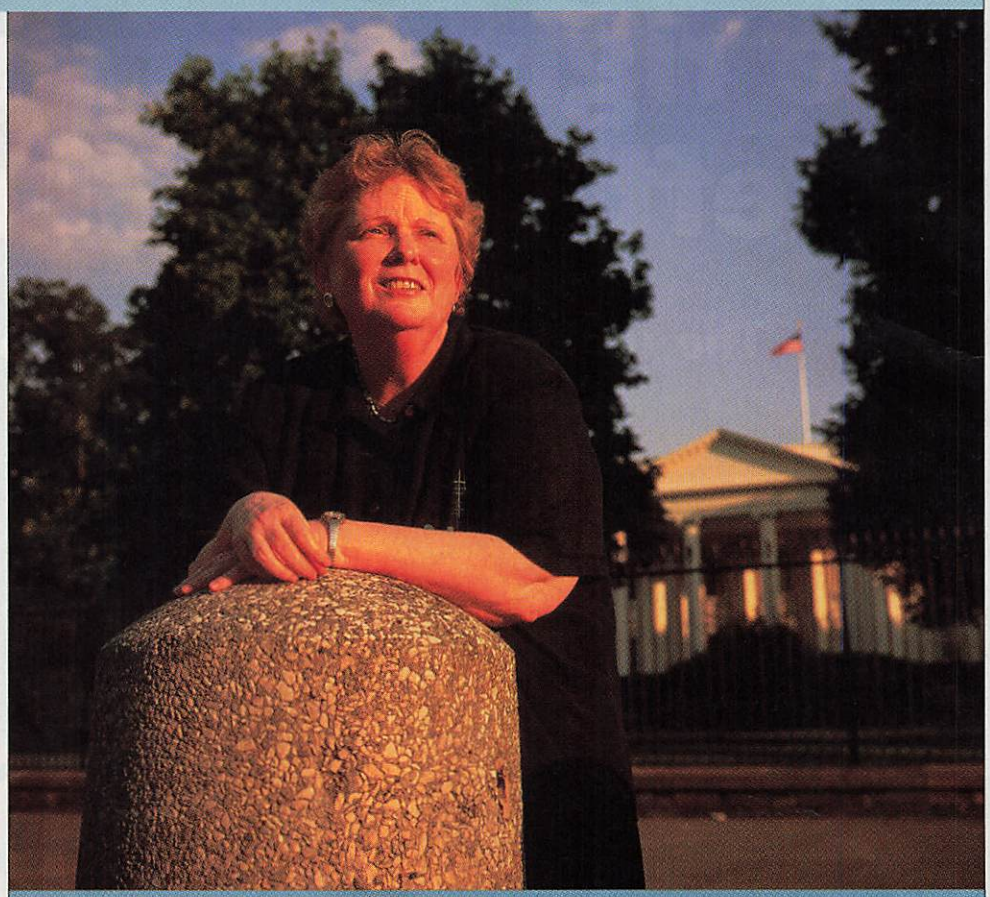

"THE WRONG WAY IS TO GO IN WITH GUNS DRAWN, BECAUSE THEN YOU HAVE JUST CREATED THIS UPROAR."

Mary Homewood has been trying to get help for her 15-year-old son since he was 6. He has the autismlike social disorder Asperger's syndrome. A single mother in the Kansas Air National Guard, Homewood gave up custody so he could get publicly funded treatment, but she says the foster system failed him, too. Nor can she get mental health officials to listen. "I will make a statement," Homewood says, "and they could care less." This is where Jane Adams comes in. Adams heads Keys for Networking, a nonprofit group in Topeka, Kan., that helps families cope with bipolar disorder, schizophrenia, and other mental illnesses in their kids. Adams helped the boy get into more-challenging classes, including vocational training. And when Homewood gets upset, Adams speaks calmly on her behalf.

Adams, 56, has spoken up for a lot of frustrated parents over the years. Mental-health care in America is "fragmented, disconnected, and often inadequate," notes the July report of the President's New Freedom Commission for Mental Health, on which Adams served. The commission called for overhauling public mental-health care to help people recover instead of just treating their symptoms.

Many of the tools are inadequate. Insurance companies often limit coverage to a few therapy sessions a year. States offer a hodgepodge of treatment programs. And the weaknesses are more evident when it comes to kids. Like Homewood's son, some 13,000 kids enter foster care or the juvenile justice system each year in order to get treatment. A child may get a different diagnosis every week as his symptoms shift. And parents have to find help while raising a child who may be violent—even suicidal.

Adams, who grew up on a farm, studied special education in the 1970s. When signs of her teenage daughter's depression first appeared in the 1980s, even Adams's colleagues at Washburn University, where she was teaching, blamed her divorce. "It was awful," Adams says. Then she called Barbara Huff, who founded and was the director of Keys for Networking. "She was the only person who said, 'You can call me day or night. I'll go to meetings with you,'" Adams says. Adams took over the organization in 1994. "I've tried to do that for other people."

Adams says her strength lies in asking questions. "Why does that have to be like that? Is it a law or a regulation? Who do I talk to to get it changed?" Her persistence does not always make her popular. "She's not going to take no for an answer the first time, the second time, or the third time," says Janet Schalansky, secretary of the Kansas Department of Social and Rehabilitation Services.

But persistence is what families need. A kid who tries to kill her brother one day can be calm and sweet in a counselor's office the next. Behavior might improve at school but get worse at home. Mental health is a moving target, Adams says, and she continues to chase it.

–Helen Fields

CHARLIE ARCHAMBAULT FOR *USN&WR*

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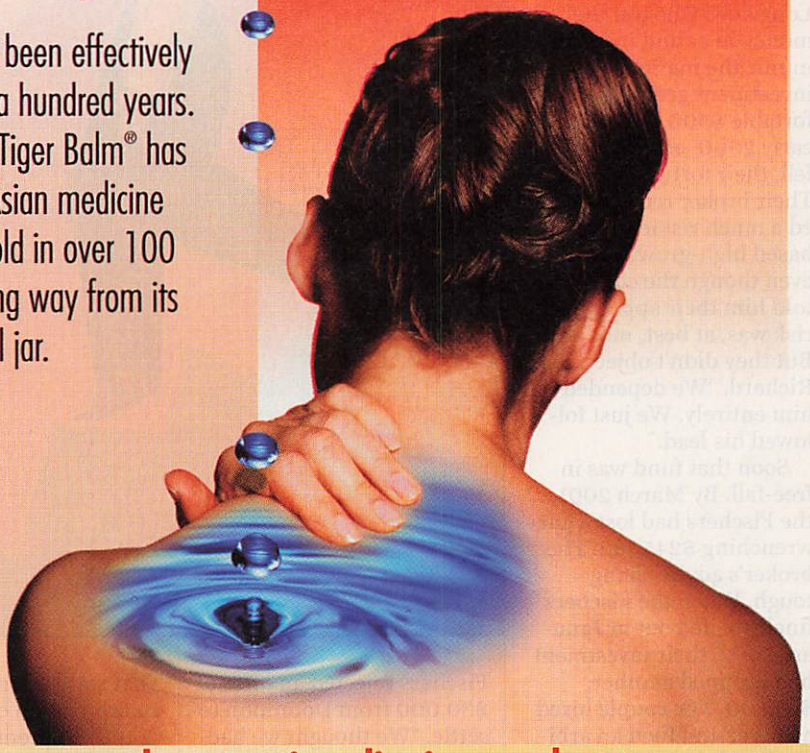

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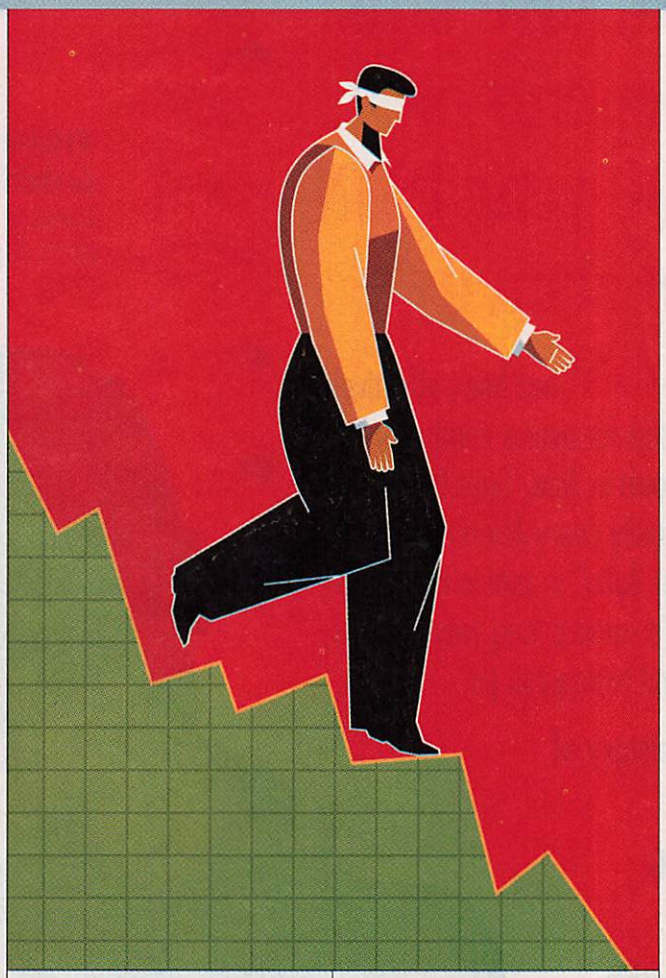
MONEY

WHEN A BROKER LEAVES YOU BROKE

TRUE STORY. Life was sweet for Richard and Margie Fischer in 1999. After 23 years as a foreman for an oil company, Richard retired at age 61. The year before, the Gilmer, Texas, couple placed their $370,000 retirement nest egg in the hands of a "financial adviser" in nearby Longview, who put the money in a fund indexed to mimic the market. Their investment grew to a comfortable $500,000. But by early 2000, as the market fell, their fortunes soured. Their broker recommended a much riskier, tech-based high-growth fund, even though the couple had told him their appetite for risk was, at best, moderate. But they didn't object. Says Richard, "We depended on him entirely. We just followed his lead."

Soon that fund was in free-fall. By March 2001, the Fischers had lost a gut-wrenching $245,182. The broker's advice: hang tough. When the Fischers finally bailed out in January 2002, their investment had dropped another $87,500. The couple hired a lawyer and filed an arbitration claim with the National Association of Securities Dealers (NASD) against the broker and his company, Dominion Investor Services, seeking $380,966. They learned that two other suits were pending against the broker, and that during the period they had employed his services, he had been fired by one firm. He admitted at the hearing he was a salesman, not an adviser. His commission for moving the Fischers into the original fund: a cool $25,000. The Fischers rejected an offer of $30,000 from Dominion to settle. "We thought we had an ironclad suit," Richard admits. Last March, the three-member arbitration panel disagreed. Its award: nothing.



WHAT'S UP. In April, 10 of Wall Street's biggest firms agreed to a $1.4 billion settlement with federal, state, and civil regulators to end investigations of charges that the firms had misled investors with analysts' reports that hyped stocks they were selling, and part of that amount is meant to go to aggrieved clients. That settlement is fueling an arbitration claims boom (a 1987 Supreme Court ruling made arbitration mandatory for settling claims). Investors are coming forward because they feel they were burned by bogus analyst reports fed to their retail brokers and because of other concerns about broker practices. Claims are mounting at a historic rate. For the first six months of this year, a record 4,654 claims have been filed, up 25 percent over the same period last year (which saw a record 7,704 cases), according to the NASD, the industry's self-regulatory body. J. Pat Sadler, president of the Public Investors Arbitration Bar Association (PIABA), says the numbers probably won't peak for another three to four years.

BATTLE PLAN. First of all, have a legal expert evaluate your case. PIABA (*www.piaba.org*) can help you find a lawyer versed in the vagaries of the NASD arbitration process. You might think you have a claim, but an experienced lawyer may not. "I reject the vast majority of cases that come to me," admits Tracy Pride Stoneman, an investors' lawyer in Colorado Springs, Colo. If you proceed, be prepared to make available all documents received from the brokerage. Sadler of PIABA suggests you write a detailed chronology of your experience. In addition, you may be asked for tax returns, other brokerage account details, and other suits. "Your financial history is going to be picked at," Sadler says. If the case isn't settled and goes to arbitration, you may need to testify—and could face a cross-exam. Some clients decide it's not worth the hassle.

Don't count on a windfall. NASD arbiters, who typically have legal, academic, and investment industry backgrounds, follow their instincts, not case law. The odds of winning some money back favor plaintiffs, but not greatly. Roughly 60 percent of suits are settled before a decision is reached. How well those investors do is anyone's guess: Records of settlement awards aren't kept. Still, plaintiffs' lawyers say

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they usually prefer to reach a settlement, if the offer is reasonable. The Fischers, of course, now wish they had taken the 30 grand.

Of the roughly one third of cases decided by arbitration, plaintiffs win a little more than half the time. The Securities Arbitration Commentator found that in the 10 busiest states for arbitration, awards ranged from 18 cents to 73 cents for every dollar claimed. And even if you get an award, you've legal costs and arbitration fees to pay.

Whatever the outcome, don't expect a rationale. Because precedent matters not—and to avoid appeals—it's the rare panel that explains itself.

BONUS TIP(S). Doing your homework can minimize your chances of being victimized by a broker. The NASD's Web site, for instance, lists claims pending against brokers and their history of violations. And make sure your broker knows what you want. Ask to see your financial profile; income and willingness to accept risk are sometimes inflated, giving your broker a freer hand to steer you into inappropriate investments. Even if your financial profile is accurate, bolster it with a letter to your broker clearly stating your investment objectives and risk level. Make sure you can prove the letter was received (use a fax that prints a record of the receiving fax number and date and time sent, or registered mail). And keep a copy. Even with these precautions, you should read statements closely. If you spot anything untoward—say, a trade you didn't approve—complain. Immediately. And in writing. As Sadler notes, "If it happens on the phone, it didn't happen."
–Thomas K. Grose

MONEY

CANCEL ME! REALLY! I MEAN IT!

TRUE STORY. John Warne of South Zanesville, Ohio, accepted a free four-week trial subscription of the *Week* magazine last year but decided he didn't want to continue. When he received a bill, he wrote "No thank you" on it and mailed it to the company. He continued to receive a bill every month for four months, and after the second month he got a letter threatening to turn his bill over to the collection department. "They just made me so mad," he says. A spokesman for the *Week* says it's unusual for the magazine to slip up on a request to cancel.

WHAT'S UP. Companies don't want you to cancel for a simple reason: Acquiring a new customer is a lot more expensive than hanging on to an old one. In a 2002 survey of over 100 financial services companies, the average cost to retain a customer was $57.33. The average cost to get a new one? A whopping $279.48. That's why getting unglued can be tough. These days, people sign up for goods and services by mail or on the Internet and pay with an automatic debit from their credit card. There's often no contact with a human being. "It makes it easier for a business to either purposely or not purposely ignore requests for cancellation," says Pamela Gilbert, a lawyer with Cuneo Waldman & Gilbert in Washington, D.C., whose firm represents consumers in class action suits. "Incompetence is kind of built into the system."

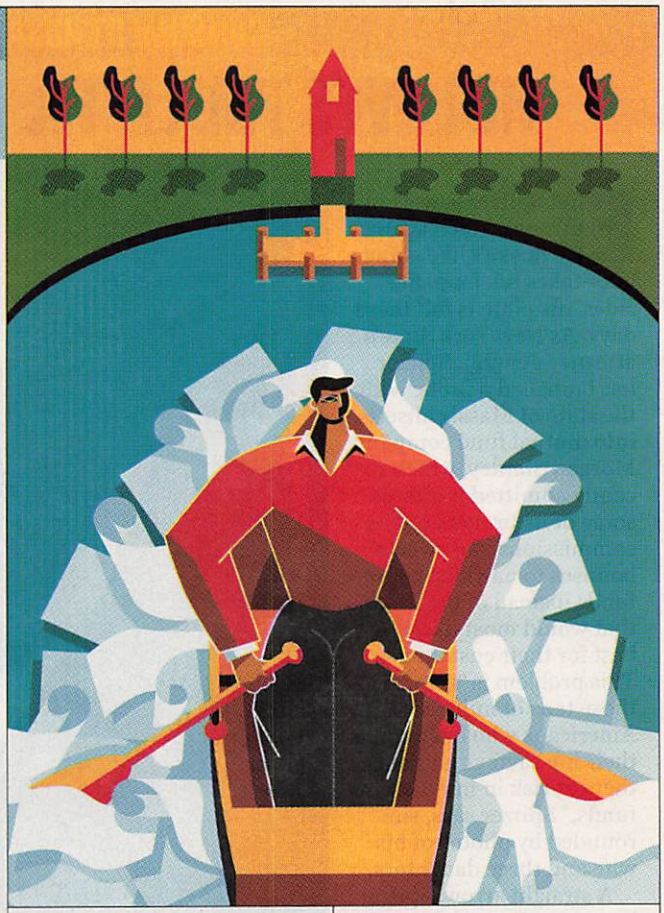
BATTLE PLAN. Make sure you understand what's being offered and what you're agreeing to pay for, including goods or services that come free for a set period. "I make it a point not to respond to any free add-ons, because most of the time I forget them," says Roy Cooper, North Carolina attorney general and chairman of the consumer protection division of the National Association of Attorneys General. If you sign up for a service, pay for it with your credit card, not a debit card or check. Under the Fair Credit Billing Act, you can dispute any charges to your card—an easier task than trying to get your money back after you've sent in a check. When canceling anything on the phone, write down the name and badge number of the attendant before you hang up; it could provide your only paper trail if you later find that the cancellation wasn't processed. If you do have a problem, many state attorney general offices have consumer protection divisions that will help. (That's how Warne got out: He called the Ohio attorney general's office, which resolved the problem within a month.) Local Better Business Bureaus will often intercede as well. Find your local AG or BBB at *www.consumeraction.gov.*

BONUS TIP. A telemarketer who makes a "negative option" offer (your account is automatically charged unless you cancel the service) has to tell you when the charges are recorded and how to cancel. That's part of the Federal Trade Commission's Telemarketing Sales Rule, which took effect March 31. *–Michelle Andrews with Jodie Kirshner*

ILLUSTRATION BY MICHAEL MILLER FOR *USN&WR*

MONEY

MORTGAGE MANIA



TRUE STORY. After checking the paper and making a few calls, retired cop Michael Johnson figured he had found a great refinancing deal with a 6 percent interest rate. And the "good-faith estimate" of closing costs—under $3,000—was lower than others had told him to expect. So Johnson's jaw dropped at the settlement table when his closing-cost bill was $5,149.14. "I was ticked," says the 52-year-old Gaithersburg, Md., man.

WHAT'S UP. Federal law requires lenders to give clear and binding commitments for points and interest rates, but they're free to charge a confusing array of closing fees at the last minute. Many lenders lowball closing-cost estimates as a lure. Last year, the Bush administration proposed new rules to limit surprise fees and encourage lenders to give binding closing-cost bids. The mortgage industry is fighting the proposal.

BATTLE PLAN. To find a competitive package, survey the field at Bankrate.com, then check with several large and reputable lenders directly: E-Loan, E-Trade, HomeLoanCenter, IndyMac Bank, Countrywide Financial, and ABN AMRO Mortgage. That's what Jack Guttentag, emeritus professor of finance at the University of Pennsylvania's Wharton School, suggests. Refinancers hit with surprise fees at settlement have one last weapon. Unlike new-home buyers, refinancers can cancel within three days. Johnson canceled and lost only the $300 he'd spent on the appraisal. He soon found another lender who charged him less than $1,000 at closing.

BONUS TIP. Try the strategy devised by Margot Saunders, managing attorney for the National Consumer Law Center. She calls lenders and brokers and asks their rates for a "no-cost" mortgage—rolling the points and closing costs into the interest rate so she won't have to pay a penny out of pocket at the closing. Adding those costs raises the interest rate by at least .25 of a point above the advertised rate—but she can compare apples to apples. *–Kim Clark*

AVOIDING PLASTIC PENALTIES

TRUE STORY. The problem started when Helen Chang's bank changed hands and its automatic bill-paying system—which she used—went awry. Her June and July credit card payments went upaid, resulting in $35 late fees. Worse, the firm jacked up her interest rate from 8.9 percent to 24.99 percent. "It was extremely unpleasant," says the 28-year-old technical editor from Columbia, Md., who dipped into her savings to pay off the card balance.

WHAT'S UP. Credit card issuers make money off customers who don't toe the line. Miss your payment due date—even by a day—and most issuers will slap on a fee. Charge more than your approved credit limit and get similarly stung. And, as Chang discovered, penalty interest rates—which can go as high as 29.5 percent—are being adopted by a growing number of firms. But it's not just late payers who suffer. Many issuers now periodically peek at cardholders' credit reports; if your credit has taken a nose dive, your rate may jump.

BATTLE PLAN. Consumer advocates don't like the strict policies and are hoping that pending legislation to cap interest rates will eventually pass. In the meantime, always call the issuer and contest any fee. Many issuers, for example, will cancel the first late fee as a courtesy. Fighting a rate hike can be tougher, especially if your credit history ain't so hot. Cardholders most likely to bargain successfully carry low balances, pay on time, boast high credit limits, and are long-time cardholders.

BONUS TIP. Many issuers now charge a currency conversion fee on overseas purchases, some up to 4 percent of the purchase price. To avoid a surprise when you arrive home with your vacation mementos, check with your card issuer about the fee before traveling. It may pay to switch. *–Ramin Setoodeh*

ILLUSTRATION BY RON MAGNES FOR *USN&WR*

CONSUMER CRUSADER: ELIOT SPITZER

HE LOVES THE LITTLE GUY—AND THE YANKS

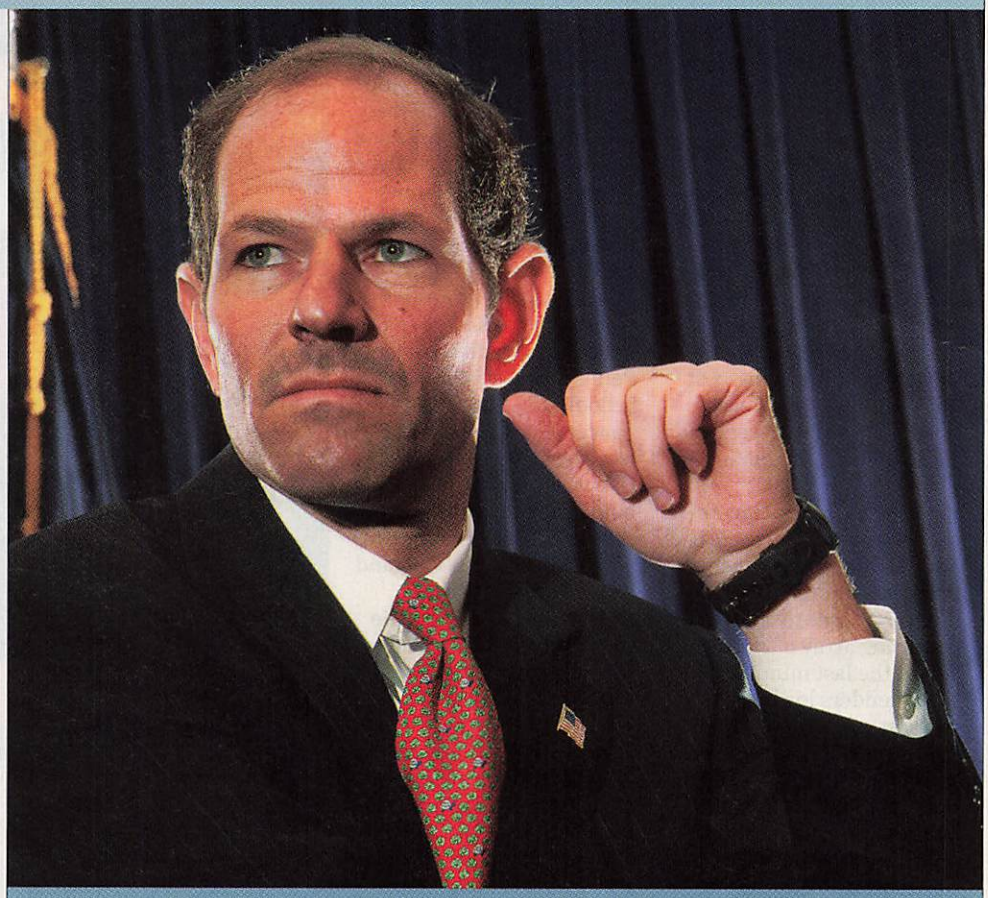
Eliot Spitzer is working through lunch again. He doesn't like going out—takes too long. Besides, his plate is full these days. As New York State's attorney general, Spitzer has launched a probe with the state of Massachusetts into mutual fund company Morgan Stanley, which recently admitted it offered some of its brokers higher commissions and sweeter bonuses to hawk in-house funds instead of the funds that would most likely be best for their customers. This problem is "critical to those tens of millions of Americans who have taken their life savings and put them at risk in mutual funds," Spitzer says, surrounded by photos of his wife and three daughters.

A straight arrow, Spitzer has a bloodhound's nose for sniffing out right and wrong. And he knows what it's like to feel powerless. Once, he and his girlfriend (now wife) rented a small truck to move from Boston, where they attended Harvard Law School, to New York. The truck had a bum battery, and they had to pay $50 or so to get it jumped a few times. At the end of the trip, Spitzer asked for reimbursement. The rental company refused—until an employee tried to move the truck and it wouldn't start.

Today, Spitzer's office sits a stone's throw from Wall Street, where he has definitely proved his power. In December 2002, he awed and angered the financial, legal, and political worlds with a record $1.4 billion settlement that transformed how the nation's top investment houses operate. For one thing, the accord banned analysts from pushing certain stocks to build investment-banking business with corporations. A large portion of the settlement money will go into a fund to compensate duped consumers for their losses. "There is nobody who is really big to him," says law school pal James Cramer, cofounder of *TheStreet.com*. "There is just fairness, laws, and what's right."

But not everyone cheers Spitzer's bulldog resolve. Rep. Michael Oxley, chair of the House Committee on Financial Services, says Spitzer is a grandstander. An angry Oxley and others want to limit state AGs' power to probe securities companies. Much of Spitzer's work, however, happens without a peep in the press. He and his staff act on their own hunches and go through thousands of letters, phone calls, and E-mails from New Yorkers. In $4^1/_2$ years on the job, Spitzer has helped secure lost wages for Mexican delivery workers stiffed by greengrocers and stopped evictions of senior citizens victimized by a mortgage scam. "We are going to speak up for these people. They have no voice," he says. Spitzer also ended a feud between two cable TV companies that kept Yankees games off certain channels. A Yankees fan, he says he "would have done it for the Mets, too."

But sometimes, the crusader grows a bit cynical: "You begin the morning as an optimist, and by the time you get home, you need a drink." But the attorney general, as you might have guessed, is a teetotaler.
–Samantha Levine



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SERVICES

RENTAL CAR CLASH

TRUE STORY. A half-hour after Raleigh Taylor picked up his Dollar rental convertible on a June vacation to Orlando, he discovered a "medium-sized dent." He called to report the overlooked damage. "The agent said it wasn't a problem—there would be a record of the conversation." Apparently, Dollar forgot. It now wants $892.20 for damage Taylor says he didn't cause.

WHAT'S UP. The skidding car-rental industry is trying to rev up revenue by cracking down on customers who appear to run cars too ragged. It's also pushing costly extras like fuel-purchase options, insurance, and upgrades.

BATTLE PLAN. Taylor got nowhere with Dollar phone agents, so he has written to its customer-service department. "There's a record of my call and of the promise not to charge me," he insists. "It's being ignored." A Dollar spokeswoman says the company evaluates such claims on a "case by case" basis, taking into account how soon after the rental the damage is reported.

Taylor's dilemma points to the need for a close inspection of a rental before driving off. You can avoid other unexpected charges by logging on to the company Web site before renting to register insurance and gas tank preferences. Paying for a full tank in advance sounds convenient, but unless you've run the car down to empty, you're probably overpaying. And check with your insurance carrier and/or credit-card company to see what coverage you already have for a rental vehicle.

BONUS TIP. You go to pick up the compact you reserved. Sorry, none left. In the past, the major players have typically upgraded such customers to the next available car, even if it's bigger, at no charge. But lately, some franchisees have told renters they must wait till a car in their class arrives or pay for an upgrade. It's nothing that a call to the company's 800 number shouldn't clear up. We called the major car-rental companies, and they told us "forced" upgrades were against their policy. *–Christopher Elliott*

MOVERS AND SHAKEDOWNS

TRUE STORY. First, the movers showed up in Ohio two weeks late with the goods they'd picked up in Oregon. Then came the hostage crisis. Although 24-year-old Brian Varn had a $1,200 estimate from Nationwide Moving Systems for his move last October from Portland to Canton, the movers demanded $4,500, claiming the haul was bigger than anticipated. Varn refused. He and his mom watched in disbelief as the van drove off. A desperate Varn paid up the next day. He filed a complaint with the Better Business Bureau, but the Department of Transportation has since shut down the movers for such tactics, so a refund is unlikely. *U.S. News* could not reach the company for comment.

WHAT'S UP. Complaints against movers soared from 4,912 in 2000 to 9,116 in 2002, according to the BBB. Blame incompetent estimates and dishonest operators. Holding goods hostage is one ploy. The moving company figures you'll fork over the cash.

BATTLE PLAN. Stand tough, especially if you're moving from one state to another. Federal law says you are responsible for no more than 110 percent of the original estimate in a state-to-state move in order to get your goods unloaded. The moving company can bill for any additional amount, which must be paid (or disputed) within 30 days. If there's a dispute, call the person who did the estimate and say you intend to notify the authorities that the company is violating the law. (In case you have to follow through, the Federal Motor Carrier Safety Administration can be reached at 888-368-7238.) To minimize potential problems, check a company's record with the BBB—not a perfect filter but very helpful. And get everything in writing, including the estimate, contract, and pickup and drop-off times.

BONUS TIP. Consider a binding estimate. It's typically higher than a nonbinding estimate but is a guaranteed price. *–Danielle Knight*

ILLUSTRATION BY RICH POPE FOR *USN&WR*

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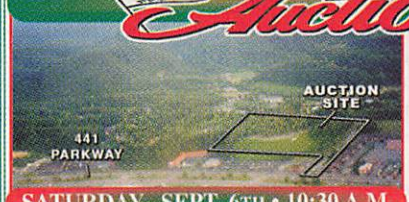

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SERVICES

DEAR HOTEL: HONOR THY ROOM RATE

TRUE STORY. Elliot Holin's trip to Chicago last June ended with a surprise bill being slipped under his door at the Homewood Suites before checkout. "Much to my dismay, the room rate for the second night jumped from $169 to $199," he recalls. Holin asked a front desk clerk for an explanation; the clerk promptly removed the charge. "He told me it was a mistake," says the Dresher, Pa., rabbi.

WHAT'S UP. Call it the old rate switcheroo—an increasingly common problem because of the complexity of reservations systems. Sometimes it's a computer error. Other times, a rate is offered online without the property's knowledge. Hotels aren't always completely aware of prices for their rooms via the Internet, and when they find out, they may try to weasel out.

BATTLE PLAN. Guests aren't always as lucky as Holin was. Some folks have even brought a printout of an Internet reservation stating the room rate and been told the price was wrong. Any time you see a lowball Web rate, get a confirmation number, then phone the hotel directly (as opposed to the chain's 800 number). Ask if you really have a reservation (sometimes online bookers think they've made a reservation when they've just pulled up a quote). Verify the rate. Note the name and extension number of the agent in case there's a dispute later on. If a hotel reneges once you've arrived, it can't hurt to ask for a supervisor.

BONUS TIP. Check the agreement you sign at check-in for additional surcharges. Often, a hotel slips in a parking fee or a "resort fee" of about $10 a night (said to cover anything from restocking your coffee maker to replenishing the pool with fresh towels). A hotel can remove these fees if you fuss, particularly if they weren't mentioned to you when you made your reservation—and you can prove it by showing the hotel a copy of your confirmed reservation. *–Christopher Elliott*

YOU'RE GROUNDED

TRUE STORY. For his return trip from London to Washington, D.C., Christopher Amolsch arrived at Heathrow airport only to find that his outbound flight on United Airlines had been canceled. He'd purposely booked an early morning plane so he could get back to work that same day. "They told me they had eliminated the flight a while ago because of reduced demand," says the annoyed Alexandria, Va., attorney. "But no one bothered to call me to tell me about the change."

WHAT'S UP. Big losses equal big cuts in airline schedules. The airlines have sliced schedules by about 3 percent since the start of the year. And sometimes passengers don't get the word until they get to the airport.

BATTLE PLAN. Call the airline at least a day before your flight leaves to inquire about its status. Knowing what to ask for if the flight is delayed or canceled is also important. Every airline has a customer contract that spells out the options: typically a seat on the next flight without a stopover, a seat on another airline, or a refund. Federal law says the ticket agent must give you a copy of the airline contract that spells out your rights. You can usually find the full contract online, in an Adobe.PDF format. It's worth copying onto your laptop or printing out—just in case.

United offered Amolsch a seat on the next available flight, six hours later, but didn't throw in any extras like a meal voucher or an upgrade. "The ticket agent seemed indifferent," he recalls. He plans to take up the matter with Orbitz, his travel agent.

BONUS TIP. If your property was damaged during a security inspection, you used to be able to take it up with the airline. Now that the Transportation Security Administration has taken over airport security responsibilities, it's up to the government to reimburse you for any damages. The TSA Web site (*www.tsa.gov*) offers easy instructions on filing a claim, including a downloadable form. Or you can call toll-free (866) 289-9673 to request a copy. Complaining is easy; getting anything back may be more difficult. The TSA is backlogged with claims. *–C.E.*

ILLUSTRATION BY RICH POPE FOR *USN&WR*

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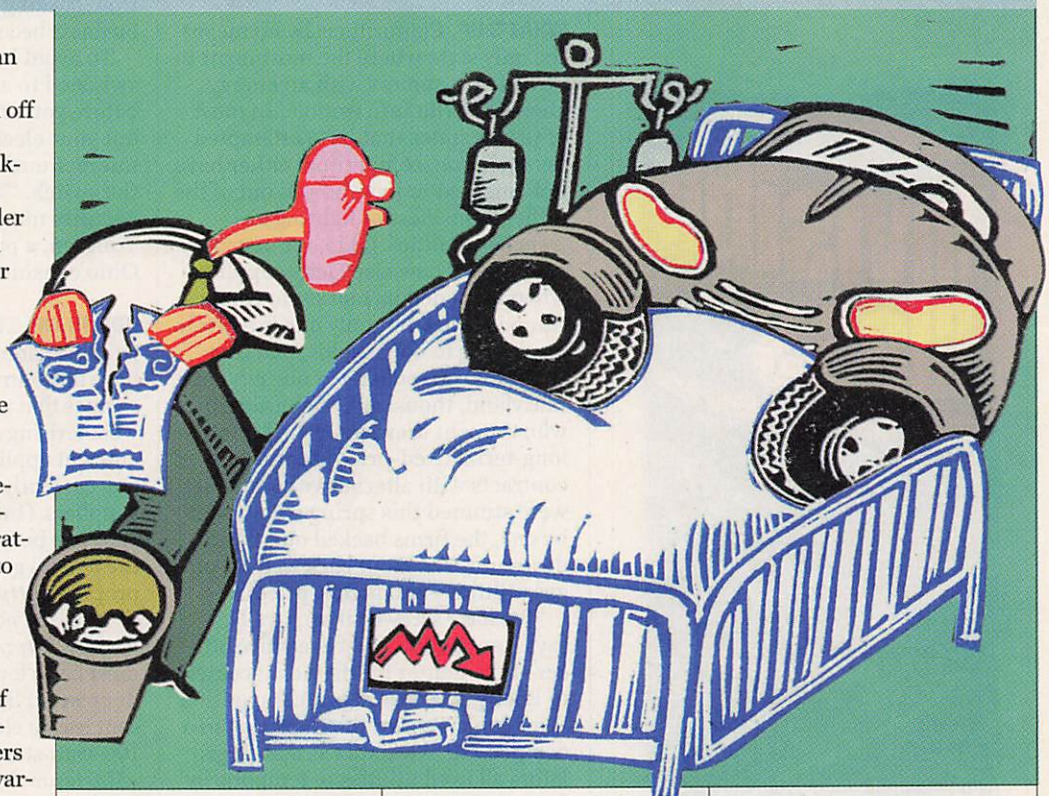


TRUE STORY. The day Ohan Antebian drove his new $28,000 Nissan Maxima off the lot last summer, the steering wheel began shaking violently. After three trips to the shop, the dealer fingered faulty tires; he'd have to call the tire maker for help. Then, the left-side speakers on the Bose audio system—which Antebian paid extra for—went dead. The dealer would replace the system only with a refurbished unit. Fed up, Antebian called Nissan directly. That was just as frustrating. "The dealer's trying to blame Nissan," he complains. "Nissan is trying to blame the dealer."

WHAT'S UP. The quality of cars is improving, but behind the scenes, carmakers are tightening rules for warranty repairs they'll reimburse dealers for. And price wars have forced them to use cheaper components.

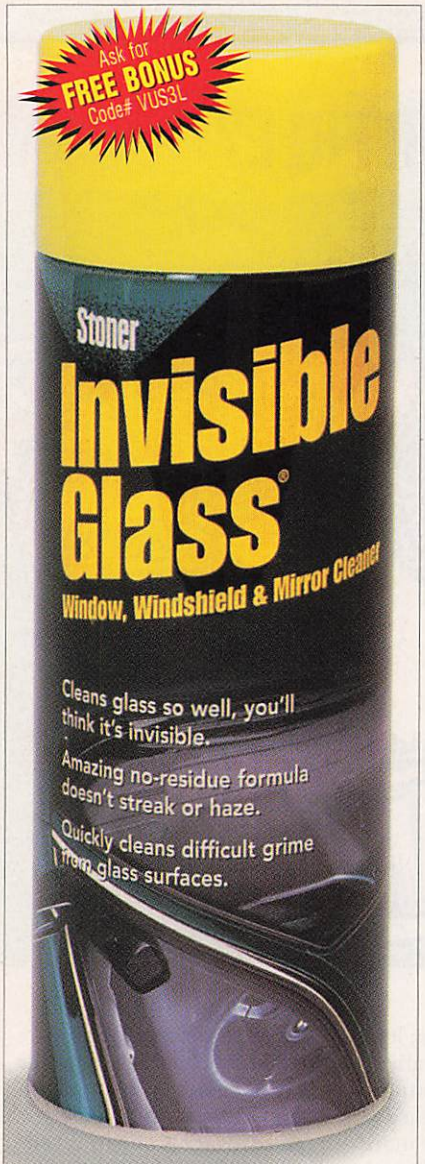
BATTLE PLAN. Virtually every manufacturer has a program to fix problems at no charge for repeat, profitable, or just plain squeaky customers—even post-warranty. A carmaker's 800 number, usually posted on its Web site, is a start. The Internet can help determine if that thump under the floor is a universal defect or your own personal goblin. In addition to checking chat rooms, you can find every manufacturer service bulletin—guidelines to dealers on how to fix known problems—at the National Highway Traffic Safety Administration site: *www-odi.nhtsa.dot.gov/cars/problems/tsb/tsbsearch.cfm.* Bulletin 03017 acknowledged one of Antebian's issues: "2002-2003 Maxima; left side speakers inoperative (Bose system)." Pointing to such alerts can make a dealer and manufacturer more sympathetic. If not, launch your own campaign. "When you start saying, 'I'm going to complain over the Internet,'" advises Karl Brauer of car-research site *Edmunds.com,* "manufacturers pay attention real quick."

BONUS TIP. Carmakers can extend a warranty for unusual problems. Ford Motor Co. documents obtained by the Center for Auto Safety, an advocacy group in Washington, D.C., note that Ford can approve "goodwill assistance" for Lincolns with fewer than 75,000 miles, even though the warranty covers 50,000. But hey—keep it to yourself.
–Richard J. Newman

SOME THERAPY FOR ELECTRIC-BILL SHOCK

TRUE STORY. Three times, Elliot Becker of Escondido, Calif., leapt at the chance to choose a new electric company. Like many Californians, he hoped he could benefit from lower—or at least stable—rates when the state allowed electric companies to compete in 2000. The first company dropped Becker because of a computer error that was never fully explained. The second backed out of doing business in California before his service began. Undeterred, Becker in January 2001 chose Green Mountain Energy—which announced early this year that it, too, would exit the residential power business in the Golden State. Not only has Becker been forced back to his old utility, San Diego Gas & Electric, but he is being hit with the same surcharges that all California residents now pay because of the costs the state incurred to clean up the mess caused by energy deregulation. "There is no more choice," Becker laments, "and consumers in California

ILLUSTRATION BY RANDALL ENOS FOR *USN&WR*



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are now left with the worst of all possible worlds."

WHAT'S UP. California is by no means the only state where the movement to provide consumers with an energy choice has run into trouble. In most of the 24 states that have attempted deregulation, competitors either have not emerged or have bowed out of the difficult business of fighting entrenched utilities. Ohio, for instance, certified 38 new electricity suppliers when it opened its market to competition in 2001, but only one is actively marketing to households, and that service is offered only in one city. In Maryland, thousands of consumers who thought they had locked into long-term, fixed-price natural gas contracts with alternative companies were stunned this spring when, one by one, the firms backed out of the deals and sent them back to their old gas utilities—and higher prices.

"We have screwed it up royally," says Ken Malloy, chief executive officer of the Center for the Advancement of Energy Markets, a pro-competition think tank. To ease the transition to a competitive marketplace, state legislators allowed utilities to temporarily keep charging their old customers certain extra fees to cover long-ago investments in power lines and nuclear power plants. The trade-off for consumers was that electricity rates were capped for that period at artificially low levels, which made it impossible for many alternative providers to make money.

BATTLE PLAN. Some states allow communities to band together to negotiate deals with alternative energy providers still serving residential consumers. For example, the 112 communities in the Northeast Ohio Public Energy Council recently signed a two-year deal with Green Mountain Energy at 6 percent below the current utility rate.

Consumers who are on their own should be prepared to ask lots of questions of alternative energy companies. Is the company licensed by the state? Fly-by-night businesses could take your money and run. Does the contract require a long-term commitment and impose early termination fees? You won't be able to jump ship easily if better rates become available elsewhere. At the same time, authorities can do little to stop companies from backing out of these contracts if business becomes unprofitable.

To avoid being "slammed," or switched to a new service provider before you are ready, don't ever give out your electric utility account number until you've decided to make the switch. "Treat it like your Social Security number," advises Robert Tongren, a public advocate who is Ohio consumers' counsel.

BONUS TIP. The grim picture on energy choice doesn't mean consumers have no control over energy bills. The savings that a homeowner can reap by weatherizing and installing energy-efficient appliances far outstrip any offers currently being peddled by energy suppliers. (Information on where to start can be found at the Web site for the federal government's Energy Star program, *http://www.energystar.gov*, or from the nonprofit Alliance to Save Energy, *http://www.ase.org*.) On the most basic level, a 23-watt compact fluorescent light bulb burns up 76 percent less in electricity costs than a 100-watt standard light bulb.
–Marianne Lavelle

SERVICES

WIRELESS PHONE WOES

TRUE STORY. Michael Meek had always been mystified that his $50-a-month cellphone plan unfailingly cost more. Now he knows one reason. Earlier this summer, the 33-year-old San Jacinto, Calif., nurse heard on the news that Sprint PCS had been quietly imposing what amount to rate increases, tucking them under "fees and surcharges." He couldn't cancel his service without paying $150 in penalties.

WHAT'S UP. The Utility Consumers' Action Network (UCAN) argues that consumers like Meek ought to have the right to hang up without penalty under the circumstances and has filed a lawsuit against Sprint to fight for it. Sprint PCS Director of Public Relations Dan Wilinsky counters that the surcharges are perfectly legitimate: The Federal Communications Commission allows wireless companies to recover costs for such technological developments as wireless number portability, a service set to begin in November that will allow customers to keep their phone numbers if they switch carriers.

Even without unexpected surcharges, cellphone plans tend to be so complex that customers often end up with services they don't want. Salespeople sometimes mix up plan features or even misrepresent what's included—and the charges when you go over your allotted minutes. They give out faulty information often enough that AT&T Wireless's contract states that your signed agreement "supersedes any inconsistent or additional representations made to you by any of our representatives, agents, or dealers." Ritch Blasi, an AT&T spokesman, explains that this protects the company from third-party dealers who get plans confused.

BATTLE PLAN. Figure out how many minutes and what services you need, and make sure—by reading your contract—that what you've agreed to is what you're getting. National plans may not be worth the cash if you don't call out of your area much, says Samuel Simon, chairman of the Telecommunications Research and Action Center, a consumer advocacy group. Even if you do, be aware that often these plans don't actually cover the entire country. A *U.S. News* reporter with relatives in Canada found that much of Canada wasn't included in one company's "North American" plan. On the other hand, frequent travelers will find that roaming charges can add up to 85 cents a minute. UCAN offers a free guide to choosing a plan at *ww.ucan.org*, and *www.abtolls.com* compares different plans.

BONUS TIP. If you see your calling patterns changing, you may be able to change your plan in the middle of the calling period. That is, if you've used 300 minutes of your 400-minute plan one week into a billing period, you may be able to change to, say, 600 minutes. But prepare to find yourself back on Day 1 of a year-long contract. *–Justin Ballheim*

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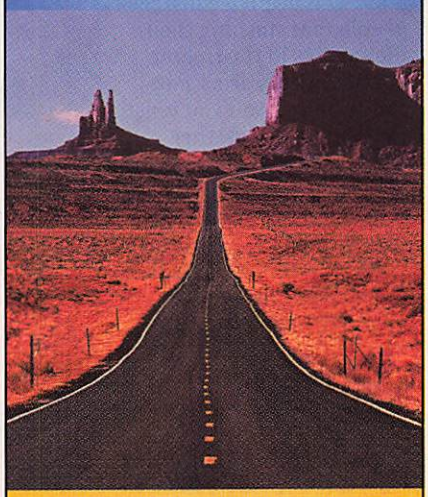

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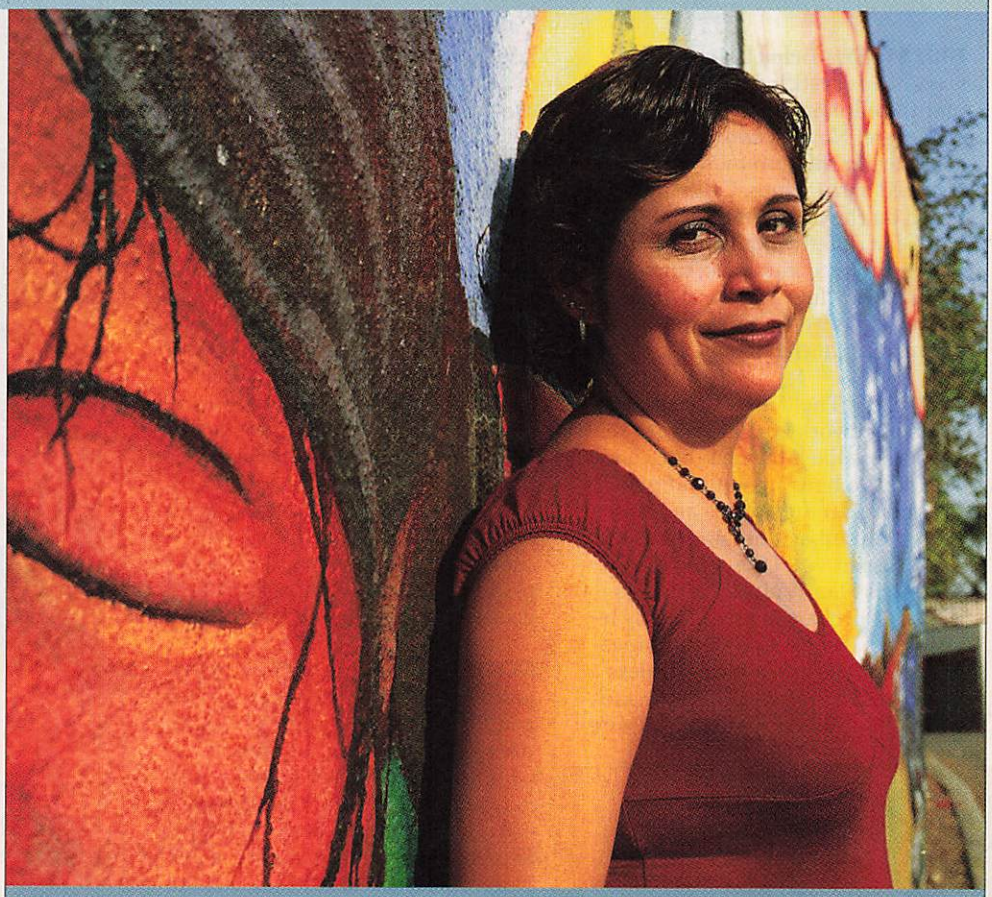

"IF YOU PAY ONE CREDIT CARD BILL LATE, IT CAN AFFECT THE INTEREST RATES ON ALL THE CARDS YOU HOLD."

Being a consumer advocate isn't easy. There's all that fine print and legalese to decipher. You need to convince people that stashing their life savings in the freezer doesn't qualify as a financial strategy. And you must explain to your mother what it is you do for a living.

Luckily for Guadalupe Aguilar, explaining things comes easily: in English, Spanish, and that special tone of voice that daughters reserve for their mothers when they ask the same question over and over again. "I tell her I provide consumer information, give presentations, and, from time to time, talk to the media," says Aguilar, 38, a consumer advocate for Consumer Action, a nonprofit group with offices in San Francisco and Los Angeles that specializes in educating minority consumers about credit, banking, insurance, and healthcare. "She thinks I'm a nosy body."

Actually, Aguilar is a one-woman information-dispensing machine. Besides what she's told her mom, she mans the office hotline and writes a newspaper column called "Consumer Chica" in an effort to keep Latino and other minority consumers from falling victim to scams. Preventing the first mistake is almost impossible, Aguilar says, especially in a community that puts too little trust in institutions like banks and too much trust in anyone who speaks the same language. "We help them inform themselves so that they don't get ripped off a second and third time."

Many immigrants come from countries where banks are notoriously unstable and deposit insurance is nonexistent. Some 13 million Latinos, or 1 out of 3, do not have a bank account. Many send money to relatives back home, making themselves easy targets for expensive money-wiring operations. While some banks will wire money free for customers with direct-deposit accounts, services like Western Union charge a high fee and don't always deliver the best exchange rate available. Even more worrisome are the payday loan centers that line the streets of many low-income neighborhoods and create what Aguilar calls a "treadmill of debt." The centers lend workers money until their next paycheck arrives, for a fee as high as 17 percent. Instead of paying off the loans, workers typically roll them over with another advance, multiplying interest so that it can come to as much as 350 percent a year.

Some people have problems not of their own making. Three years ago, when Elizabeth Tellez applied for a loan to buy a car, her credit report showed she was $80,000 in debt, had declared bankruptcy, and had defaulted on two car loans and a mortgage. Tellez had never owned a car or a home. Someone had stolen her Social Security number and her identity. With Aguilar's help, she got her identity and credit rating back and was able to buy the car. Tellez still calls Aguilar for advice. "That way, I don't have any doubts," she says. Surely Aguilar's mother would understand that.

–Betsy Streisand

ELENA DORFMAN FOR *USN&WR*

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HOW SWEET IT IS

BY KIM CLARK

You can try this at home: Ask someone to pick one Godiva chocolate from a plate of six and taste-test it. The next day, ask him to choose a Godiva from a plate of 30, and even if he chooses the same chocolate, he'll say the candy from the group of six tasted better.

What gives? It's not too many choices but too little information about what you're missing that leaves a sour taste in the mouth, says Mark Lepper, the Stanford psychologist who ran the experiment. People like having lots of options, but only if they have enough information to make sure they haven't left something better on the plate.

Any consumer who has puzzled over a yellow pages list of 50 car repair shops or a store full of DVD players knows the feeling. The old-fashioned solution is to ask a neighbor or friend. But in the 21st century we're often new in town and don't know our neighbors. And even geeky friends are having trouble keeping up on all the new tech devices. Fortunately, new "neighborhoods" are springing up on the Web in which millions of volunteers try to help one another make smart consumer choices.

Take Marc-David Seidel, an assistant professor at the University of British Columbia's business school. As a lark in 1997, he and two pals worked out a formula to figure out which long-distance phone plan was really the cheapest. Being idealistic, they set up a free Web site to share their calculator. But they couldn't afford to do the research needed to keep up with constantly changing rates. So they asked anyone who visited *www.ABTolls.com* to alert them to industry news. It worked. Seidel estimates that *ABTolls* has about 10,000 researchers who regularly donate their time and expertise to make sure the free site's information is up to date.

Wherever he looks, Seidel sees similar volunteer communities rising up to solve other consumer problems. One popular (and profitable) site, *Epinions.com,* forms communities of enthusiastic product reviewers. Though *Epinions* offers token payments for the best reviews, the money doesn't begin to cover the time and energy that goes into producing a well-written 100-word-minimum review of superglue or a refrigerator. "It's a community," says Helen Grace, 52, of Weeki Wachee, Fla., who oversees the Home and Garden section. Some members are so eager to be a part of the over-the-Internet-fence chat that they buy products they don't need just to write a review.

"WE ARE HELPING TO SOLVE WHAT IS A PAIN RIGHT NOW."

ANGIE HICKS, *cofounder of* Angie's List

IN THE KNOW. Sites like these are thriving in these hard economic times, not only because it is cheaper to have volunteers do the research but because, in many cases, the collective experience of thousands of volunteers proves more useful than that of expensive experts. These new volunteers aren't entirely selfless. By banding together, they gain unprecedented power, Seidel says. Companies like American Airlines and Starwood Hotels & Resorts, for example, now regularly monitor and respond to postings on *FlyerTalk.*

But those who run these new sites say the main motivation seems to be generosity. Contributors to *Angie's List,* which rates local services, often do themselves a disservice by raving about a great plumber. A tradesman who earns an A may be swamped with calls and unable to help an old customer as quickly. Yet *Angie's List,* which started from scratch in Columbus, Ohio, in 1995, now has 100,000 members in 15 cities and continues to grow rapidly. The site's cofounder and namesake, Angie Hicks, says she runs into customers all the time who stop her and apologize. "I owe you a report," they'll say.

Of course, they don't owe anything, since they've already paid up to $47 for a year's membership. "If they got the name of a good plumber, they want to give the name of a good roofer," marvels Hicks. "They feel a responsibility" to neighbors they've never met. Luckily, this, too, is something you can try at home. ●

SCOTT GOLDSMITH FOR *USN&WR*

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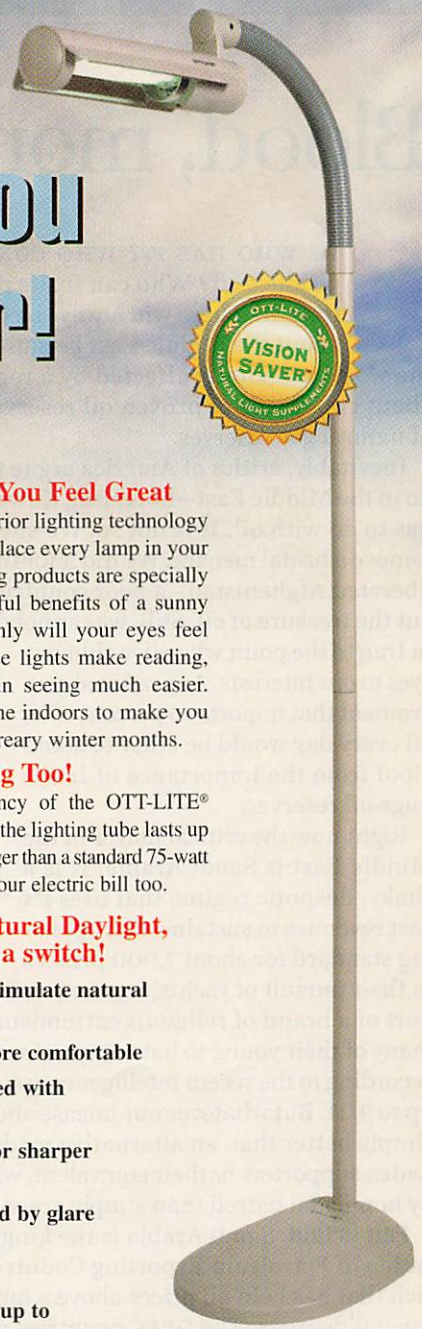

The Science of Seeing

As we age, our eyes begin to fail us. For generations, our eyes were meant to focus on large objects at a distance. The modern world has changed that, and now we need to see small objects at very close range. Natural sunlight is the best light for everything we do. The glare from ordinary light bulbs can cause eye strain, and headaches. Incandescent bulbs simply don't provide natural light.

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MORTIMER B. ZUCKERMAN • EDITOR-IN-CHIEF

Blood, money, and oil

OIL. WHO HAS IT? WHO CONTROLS IT? WHO produces it? Who can fix its price? Who profits from it? These will always be essential questions about the Middle East because the economies of the world are vitally affected by a region that contains about two thirds of proven oil reserves and 40 percent of natural gas reserves.

Inevitably, critics of America argue that everything we do in the Middle East—liberating Kuwait, invading Iraq—has to do with oil. It is not so. We shed blood in Iraq to remove a brutal menace. We did it for the same reasons we liberated Afghanistan—a poor country, be it noted, without the treasure of oil. Still, we cannot defend our motives in Iraq to the point where we shut our eyes to our interests. Any rational government that imports 55 percent of its oil every day would be crazy to stand aloof from the importance of Iraq's huge oil reserves.

Right now the critical player in the Middle East is Saudi Arabia. It is a shaky, despotic regime that uses its vast revenues to sustain a corrupt living standard for about 7,000 princes in their pursuit of yachts, women, and liquor, and in support of a brand of religious extremism that has inspired many of their young to hate us—and seek our destruction, according to the recent intelligence assessment of what led up to 9/11. But whatever our unease about the regime, it is simply better than an alternative made up of Osama bin Laden supporters or their equivalent, who are driven more by homicidal hatred than simple greed.

Fair is foul. Saudi Arabia is the kingpin of the Organization of Petroleum Exporting Countries, a cartel for the rich that has held oil prices above a fair-market value for several decades. The OPEC countries maintain that they want to ensure a plentiful supply of oil to the world's economy at a price that is fair to both producers and consumers. But they have a dubious definition of fair. Most people think that, without OPEC, a barrel of oil would sell for between $10 and $12, and gasoline prices would fall below $1 a gallon in the United States. OPEC is currently controlling production to keep the world price at $32 a barrel and continuing to flaunt its monopoly power.

The new factor is Iraq. The challenge is how to manage Iraq's role. How much oil Iraq produces will not only determine the living standards of its people but also affect everything from the Russian economy, uniquely dependent on energy prices, to the stability of Saudi Arabia, and indeed of Iran. And, of course, the price that Americans pay for gasoline.

In the short run, Iraq has the potential of producing around 3 million barrels a day. In the intermediate term of about five years, with about $40 billion of investment, Iraq's capacity could increase to around 6 million barrels a day. In 10 years, Iraq could be the world's leading producer, turning out 10 million to 12 million barrels a day. Its oil deposits are just waiting to be developed, with 20 percent of the discovered fields in production. There are billion-barrel fields that aren't producing anything, and 90 percent of the country's landmass has not even been explored. No new oil fields have opened up in the past 20 years, yet the undiscovered reserves could add as much as 200 *billion* barrels of high-quality oil that could be pumped out at a very low production cost. This makes the return on oil investment higher in Iraq than probably anywhere else in the world and ensures the ability to attract the necessary capital to rebuild the industry.

> "The United States should be in no rush to involve foreign oil companies.... Too much is at stake."

That is the good side. There are two downsides. The first is the danger of a slow-motion collapse after decades of neglect. Iraq needs foreign oil companies with the requisite technical expertise and financial strength—but from which countries?

The second problem is the risk that Iraq—by one means or another—will fall into the embrace of OPEC. The benefits of an Iraq independent of OPEC are immense all round. We would reduce our unwise dependence on Saudi Arabia. An Iraq outside the cartel could do what is best for its people and not for the cartel, whose aim is to sell less oil at higher prices.

For these reasons, the United States should be in no rush to involve foreign oil companies, even if the case is made that the revenues will give a quick cash infusion to the Iraqi people. Too much is at stake. And too much of our blood and money is invested. We are now spending $4 billion a month to rehabilitate Iraq's infrastructure and civil life. Given our commitments to a stable, representative government, which is also a key to the long-run capacity of Iraq to produce oil, we should remain firm in our commitment to retain control of the critical economic and political issues involving Iraq. •

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